

Report on

**“Retirement Provident Fund and Future of BPO Sector in  
Bangladesh: A Case Study on Data-Path Ltd.”**

By

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An internship report submitted to BRAC Business School in partial fulfillment of  
the requirements for the degree of  
Bachelor of Business Administration

BRAC Business School

BRAC University

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## **Declaration**

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

**Student's Full Name & Signature:**

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**Student Full Name**

18204061

**Supervisor's Full Name & Signature:**

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Abu Saad Md. Masnun Al Mahi, PhD

Assistant Professor

BRAC Business School

## Letter of Transmittal

Abu Saad Md. Masnun Al Mahi, PhD  
Assistant Professor  
BRAC Business School  
BRAC University  
66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,

I'm excited to show my internship report, which talks about Retirement Provident Fund and the future of the BPO industry in Bangladesh. Your help and advice have been a big part of why I was able to finish this report. During my time at Datapath Ltd., I learned the things I needed to know in order to put together this detailed report.

I hope my Internship Report meets your expectations and contributes to our university's archive.

Sincerely yours,

---

Nafees Imtiaz Khan

ID: 18204061

BRAC Business School

BRAC University

## **Executive Summary**

I feel very lucky to have been given a student internship with DataPath Ltd. In 2008, the United States and Bangladesh joined together to form what is now a highly successful business: DataPath Ltd. To aid its customers in becoming prosperous businesses, the firm draws on its vast experience across a wide range of fields and professions. DataPath Ltd. provides administrative services on behalf of July Business Services, a retirement service provider located in the United States, through a partnership. The company's primary goal is to work closely with its business and financial partners to provide individualized solutions that help them achieve their goals. My report's first chapter provides background and introduces the topic at hand. In this part, we lay out the report's overarching goals, which center on comparing and contrasting the retirement planning and fund management processes in the United States and Bangladesh. DataPath Ltd.'s background, introduction, policies, vision, mission, core values, competition, and organizational structure are all outlined in the next chapter. My internship obligations are discussed in length in Chapter 3, including the time frame of my internship, the tasks I was given, the activities I participated in, and the training I received. The 3rd chapter is a personal reflection on the experiences and knowledge I gained throughout my internship. This internship gave me invaluable insight into the 401(k)-retirement planning industry in the United States. I used a variety of accounting programs in the workplace and was able to successfully apply concepts learned in the classroom. Thanks to my hard work in the group, I also developed crucial interpersonal skills. The methods used to compile the report are laid out in detail in Chapter 3. This investigation is based on Qualitative Interview Data. In chapter three, I have provided an overview of Bangladesh's Business Process Outsourcing (BPO) industry and analyzed the effect of BPO practices on employee financial security assurance. Then next offers suggestions for improving BPO in Bangladesh. Finally, this study provides a survey of BPO practices on employee financial security assurance in Bangladesh.

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## **List of Abbreviation**

- ACP - Average Contribution Percentage
- ADP - Average Deferral Percentage
- ASPPA - American Society of Pension Professionals and Actuaries
- ASC - Actuarial System Corporation
- DOL - Department of Labor
- ERISA - Employee Retirement Income Security Act
- IRS - Internal Revenue Service
- IRC - Internal Revenue Code
- JBS - July Business Services
- RDF - Retirement Planning Fundamentals
- SIMPLE - Saving Incentives Match Plans for Employee
- TPA - Third Part Administrator
- LPR - Leave Preparatory to Retirement

# **Chapter 1.0: Overview of the Internship**

## **1.1 Student Information**

Name: Nafees Imtiaz Khan

ID: 18204061

Major of Specialization: Finance

Minor: Human Resource Management (HRM)

## **1.2.1 Internship Information**

Company Name: Datapath Ltd.

Company Address: 13<sup>th</sup> and 15<sup>th</sup> Floor, Ambon Complex, 99 Mohakhali Commercial Area, Dhaka-1212.

Period: The internship will last for a total of four months. The internship program incorporates instruction, real-world experience, and the use of course materials. The extensive structure is specifically designed to need a 4-month period for its completion.

Start Date: 15<sup>th</sup> May 2023

End Date: 15<sup>th</sup> September 2023

## **1.2.2 Internship Company Supervisor's Information**

Name: Ummay Tanzeem B. Ibrahim

Designation: Senior Team Leader

Email Address: [utanzeem@data-path.net](mailto:utanzeem@data-path.net)

### **1.2.3 Job Scope**

#### **Overview**

As soon as I started my internship at Datapath, I felt a greater sense of duty and commitment to my tasks. My activities as a student were mostly independent of others. I was the only one who would have to deal with the consequences of my academic failure. In a professional context, individuals are held responsible for their actions, and poor performance can have far-reaching consequences for the team as a whole. During our internships, we were given significant responsibilities at our host organizations. My duties in the BPO division called for me to pay close attention to detail and take a broad perspective. The final reports were to be presented to clients with the utmost accuracy and efficiency. We trained for a while before moving on to real-world customer work. Most of our work required the use of other programs.

#### **Software Introduction**

At first, we learned about Relius, the program chosen for my education. In comparison to other solutions like "Dataier" and "ADR," "Relius" stands out as the hub where employee data is consolidated and calculations for key variables necessary for contribution evaluations are carried out.

Datapath is a 401(k) company, as described in the 'research proposal,' and our primary goal is to ascertain how invested an employee is in his or her retirement savings. An employee's pension contribution, which is collected when they retire, must first be evaluated for qualification and amount.

There are two main kinds of employee contributions: deferrals and Roth conversions. These payments entitle workers to employer contributions, which in turn boost the retirement savings of plan members. However, unlike employee payments, participants cannot withdraw their employer's contribution upon retirement or termination.

#### **Census Input**

The most important thing is that Relius is made with a variety of features that let users customize and change how it works. The process involves adding specific variable values, such as SSN codes, ages, dates of birth, dates of hire and date of closure, as well as full client information, such as



names, addresses, phone numbers, and fax numbers. As a result, Relius makes things like entry dates and vesting years. Cross-referencing these results with our real client census report is a very careful process called "census checking." This step is the most important part of making our report, and it needs to be done with care and accuracy.

The main goal of this project is to make sure that all client information is correctly put into Relius. The picture shows a census Data Entry Record (DER), which has a lot of different factors that we carefully choose before loading a census. For the census check, only the most important factors are chosen by hand, while others, like vesting years and entry times, are calculated automatically by Relius.

There are times when certain employee data is missing or when Relius gives wrong results for certain factors. When this happens, it's important to let the client know and carefully record all problems. Then, this written record is sent to our client. It is important to do this step carefully, because even a small mistake could mean starting the whole process over. Some mistakes for a small number of employees can be fixed by hand, but it gets very hard to fix a lot of mistakes that involve workers.

### **RK Statement formation and Reconciliation**

The next step is to create the record-keeping statement that will be delivered to our clients. The record-keeping organization issues this statement, and it is our job to verify that the client's contributions were properly allocated. Our work also involves a procedure analogous to reconciling the statement, which involves assuring parity between the balances of data from succeeding years and their predecessors. Here, we carefully evaluate the profits and losses from investments and cross-reference the contributions of individual workers across many sources.

Our services to clients include a key step aimed at reducing discrimination against workers: identifying Highly Compensated Employees (HCEs) and Non-Highly Compensated Employees (NHCs). In our evaluations, we look at things like the average deferral percentage (ADP) and the average cancellation percentage (ACP). The purpose of this analysis is to ascertain whether or not HCEs respect the deferral restriction imposed on NHCs. Based on the results, we will determine the maximum allowable contribution for HCEs and issue any refunds needed to bring their average deferral in line with the cap. The same holds true for NHCs, which may get additional funding if

the cap is raised. Relius software efficiently manages this complex procedure by taking into account a number of constraints and then arriving at a solution. The Relius system monitors every facet of this complex stage.

The client is then handed this report, and if they discover any problems, we must review it again for more explanation.

## **1.3 Internship Outcomes**

### **1.3.1 Student's contribution to the company**

My contributions to the organization were limited in scope due to the fact that I was working there in the capacity of an intern. This is standard practice for interns, who are often given fewer duties that are particularly noticeable or complicated. The internship program, on the other hand, was painstakingly designed to offer participants with exposure to fundamental responsibilities and an introductory degree of accountability.

Interns are split up among several teams and assigned to work with a variety of different team leaders, which results in each intern having a unique set of responsibilities and responsibilities. The leader of the team is responsible for delegating tasks and deciding which members of the group will take on specific duties. As a result of the basic training, I had received in the Relius program, I was able to concentrate on receiving extensive instruction in activities such as census entry, census verification, and RK statement. We were provided with census data and other relevant information from the previous year to help facilitate practice. We had access to a demo version of the Relius program, which facilitated the process of training on these materials. We worked on a variety of plans, which included anything from performing census checks to amending plans in Relius. We started working on actual record-keeping statements after some practice, marking the beginning of the move from simulation to real-world activities.

Live assignments featured data from the current year, which required processing with precision and caution. We worked with record-keeping statements in an effort to reconcile closing balances with those of the previous year. This is analogous to maintaining a profit and loss account within the context of RPF. The objective was to harmonize the ending balances while also correcting any inaccuracies that were found.

Our team leaders conducted a careful review of each and every one of the tasks that we completed, and they swiftly corrected any faults that they discovered. Our team leaders exemplified both humility and kindness, which helped to cultivate an atmosphere in which we felt comfortable voicing our opinions and posing questions. We did not miss any of the deadlines that were established for us, particularly throughout the hectic time period that lasted from January to July. During this period of time, we were able to gain first-hand experience of the hectic schedules of our clients.

### **1.3.2 Benefits to the students**

It was the very first corporate internship program that I participated in while I was still a student. My internship program provided me with numerous opportunities to develop new skills and accomplish a wide range of goals. I have acquired both soft talents and practical abilities, particularly in the area of technology.

#### **Learning to Be Patient**

I have acquired the ability to overcome unforeseen obstacles and deviations from plans. In the business world, one faces numerous obstacles with consumers and coworkers. My current position requires significant dedication and tolerance. It is not uncommon for things to initially deviate off course. Handling highly confidential information, such as employees' Social Security numbers, and conducting complex calculations can result in discrepancies that may not be easily resolved. It is essential to exercise patience and allot ample time to resolve problems.

I have not only adapted but also refined problem-solving skills through these experiences. I've realized that domestic matters, whether within families or in our personal affairs, should be kept separate from our professional endeavors, and vice versa. This is an example of what is commonly referred to as work-life balance. In every difficult circumstance, perseverance and unyielding resolve are essential.

#### **Time Management Skills**

This word is familiar to a large number of people, and my relationship to it has become stronger. My understanding of how important it is to stick to one's routine has been significantly bolstered recently. Because we are always working on time-sensitive projects and activities, it is absolutely necessary for us to have a solid track record of meeting all of the associated due dates. Being on

time is not only a matter of preference but rather an absolute must. We have a responsibility to keep our superiors apprised of any unexpected delays or deviations from the plan, even when such circumstances are exceptional.

### **Communication**

In our area, good communication is of the utmost importance. Keeping in regular and suitable contact with clients is a constant need. Email is the most common way to do this. Corporate speaking skills are a very good thing to have. I've always thought of myself as an introvert, which used to make face-to-face conversations difficult. I think, though, that I've been able to get past this problem over the course of this training.

### **Technical Skills**

From the beginning of our training, we were provided with comprehensive direction to improve our proficiency with Microsoft software applications. Having knowledge of computer information systems is advantageous in this context. In addition, we received Excel training, a skill that corresponds directly with our daily responsibilities. As a result, my confidence, efficacy, and mastery of this software have increased as a result of my regular use of Microsoft products. Throughout this procedure, we became acquainted with Excel's numerous keyboard shortcuts, functions, and operational principles.

### **1.3.3 Problems/ Difficulties (faced during the internship period)**

The challenges we had throughout our internship program were minor, but they must also be taken into consideration.

#### **Less Space Occupied**

At first, the office was on the 8th and 9th floors of the building that makes up the Ambon Complex. But as the number of interns grew and more room was needed, it was decided to rent the 6th floor. After training, each employee, including interns, gets their own desk, so the need for more space keeps growing. The space that was supposed to be used to train interns turned out to be too small, so they had to move more than once. At the end of our training, we were given our own desks, but the office space was still very crowded.

### **Poor Internet Connection**

Another issue that we constantly faced was that the server system frequently crashed. This was a problem that we encountered on a regular basis. As a result of the fact that we make use of software that enables us to perform our responsibilities from a distant location, we are not always able to fulfil our obligations on time. Consequently, our application will be delayed as a result of this.

#### **1.3.4 Recommendations**

- With the growth of their personnel, they should contemplate relocating to a more spacious location or purchasing additional floors in the Ambon Building.
- Enhancing the employee-friendliness of their software should be a priority. As frequent server outages make reliance on remote software increasingly difficult, Datapath may consider procuring software solutions internally.

## **Chapter 2: Organization Part**

### **2.1 Company Profile and History**

Founded in 2008, DataPath Ltd. is a well-known partnership between the United States and Bangladesh. Utilizing a combination of valuable experience, expertise, and in-depth research on prosperous companies across a variety of domains, its primary mission is to aid clients on their path to business success. The organization currently services a number of U.S. businesses. Notably, DataPath Ltd. distinguishes itself as a competent provider of end-to-end solutions, comprising diverse facets such as data and document accumulation, transformation, analysis, exploration, and workflows. By integrating inventive products and services with advanced technologies, the company is able to provide expedient customer service. DataPath consistently employs a systematic methodology to provide clients with impactful solutions that can have a significant positive impact on their businesses.

Jim Hudson, John Humphrey, and Ashfaque Rahman co-founded the company DataPath Limited, which specializes in business process outsourcing. It was founded in 2006 in a modest office space in Uttara, Dhaka, with a focus on trial operations in this field. During that time, the software outsourcing industry was in its infancy and was not widely recognized in our country. Six individuals composed the company's initial team, which actively sought talented professionals who could comprehend the nuances of this emerging industry. In 2010, the company relocated to a larger office in Gulshan, Dhaka, to accommodate its expanding personnel. As demand for the company's services increased in 2015, it relocated to a larger office in Mohakhali, Dhaka, signifying a substantial expansion.

July Business Services (JBS), the parent corporation of DataPath Ltd., oversees the operations of DataPath Ltd. July Business Services is a reputable provider of professional services committed to meeting the requirements of business clients through the administration of retirement plans and other administrative services. The organization's primary objective is to establish close relationships with employers and financial partners, devising individualized solutions that align with their specific objectives. In 1994, this initiative was initiated. Significant referral relationships have been established with key entities, including investment advisors, mutual fund firms, banks, and brokerage firms, as a result of the company's successful marketing initiatives. July Business

Services has made a significant impact on the market for retirement plan management services in the United States, which is worth billions of dollars, and has firmly positioned itself. Currently, JBS serves approximately 10,000 consumers in fifty-two states throughout the United States. In an effort to increase efficiency and profitability, the company strategically outsources essential operations to multiple locations, thereby minimizing superfluous costs. This strategic action is the propelling force behind the expansion of its Bangladeshi subsidiary.

### **The Company Vision**

As a Company, they have set their sights on being the market leader in the outsourcing sector. To develop into a next-generation business process outsourcing company.

### **The Company Mission**

The mission is to efficiently cater to the needs of clients by leveraging cutting-edge technologies. DataPath Ltd. is committed to constant change and new approaches.

### **Core values**

This company's core values promote organizational behaviors that assure the achievement of its mission, vision, and objectives.

This organization's basic values, which serve as crucial success elements, are as follows:

- Responsibility First
- Recognize accomplishments
- Dedication to People
- Dedication to Excellence
- Inventive approach
- Effective and transparent communication
- Accepting a variety of differences
- Prioritizing proactive issue resolution
- Including Excellent Service
- Optimistic perspective
- Change motivated by achievement
- Collaborative group effort

- Expertise in technical abilities

## **2.2 Service Offerings of the Organizations**

DataPath Ltd. provides specialized services to improve the effectiveness of Third-Party Administrators' operations. Daily operations and strategy management for both JULY and Datapath Outsourcing are handled by the BPO Team. The retirement business in the United States is crucial because it helps the country's economy grow. Most people invest their retirement savings in a variety of assets and marketplaces like the stock market and money market. DataPath Ltd. offers end-to-end retirement fund management services, from checking for errors in internal company processes to keeping track of how money is spent across multiple accounts.

July Business Services and Data-path Limited provide the following service combination to U.S. business clients on an ongoing basis:

### **1. Plan Design**

The company creates retirement programs that can be tailored to the specific needs and goals of each organization. They use their knowledge to design a retirement plan that helps their clients achieve business goals, whether those are related to attracting and retaining talent or providing better perks to important employees.

### **2. Plan Setup**

Retirement plans can be easily set up, or the current provider can be taken over. DataPath's specialized setup institution provides comprehensive, personalized support for establishing your service. DataPath offers a variety of services, including:

- Documentation for establishment
- Loan policies
- Contribution submission
- Asset transfer via accounts
- Documentation from the previous provider

Setting up the Plan Document, which has all the rules and directions for the plan value, is an important service in this area. It consists of:



- Prototype Plan Document
- Volume Submitter Documents
- Summary Plan Descriptions
- Loan Policies
- Other Required Forms

### **3. Plan Administration:**

With more than 12 years of experience in plan administration, the advisors at Datapath are highly skilled in this specialized field. Each client's plan is managed by a designated account representative supported by a team of seasoned experts. Listed below are the various components of this administration sector:

a) Plan Operations Support: This service incorporates all the essential elements required by the client in order to maximize the plan's benefits. It provides direct communication with consultants via phone and email. The range of services offered includes:

- Eligibility Calculations
- Contribution Allocations
- Vesting Calculations
- Distribution & Loan Processing

b) Compliance Testing:

To ensure that the client's plan continues to function properly, the company's account representative delivers a comprehensive set of support services. The following are some of the testing services it provides:

- Top Heavy Testing
- ADP & ACP Testing
- Minimum Coverage Testing
- General Nondiscrimination Testing

c) Tax Compliance:

To satisfy all of the requirements for submitting tax returns, consultants provide clients with returns that are ready to be signed. The following are some of the services it provides:

- Form 5500
- Form 1099-R & Form 945
- Form 5330 (when required)
- Form 5310 (for ending a plan)

d) Recordkeeping:

July and Data Path are working together to provide automatic recordkeeping solutions to customers by leveraging July's daily valuation recordkeeping platform and their respective key partners. These are some of the services that are offered:

- Daily Account Valuation
- Access to Accounts for Plan Sponsors
- Statements for Quarterly Participants

#### **4. Participant Services**

July and DataPath Ltd. offers extremely effective services to individual customers, allowing these customers to better prepare for and achieve a financially secure future. This is made available to customers by means of the company's partnership arrangements with a variety of financial institutions.

#### **5. Investment Advice**

Numerous retirements plan additionally provide participants with financial guidance and counseling. This accessibility to investment advice increases their likelihood of retiring with a secure financial future. Data-path manages all administrative tasks for July Business Services in Bangladesh and transmits electronic copies of its work via its established and dependable network.

## **2.3 SWOT Analysis**

### **Strengths**

- Ensuring the security of IT-based services and software.
- Encouraging sustainable business expansion in Bangladesh.
- Generating foreign remittances for Bangladesh.
- The accumulation of confidence from different TPA firms over years of service.

### **Weaknesses**

- Not enough high-tech tools.
- It takes a lot of time to train new employees from start.
- The website and promotional efforts aren't very good.
- Not enough office space because a lot of people are being hired.

### **Opportunities:**

- Making job chances available.
- Building long-term partnerships with companies from other countries all over the world.

### **Threats:**

- There isn't a strong and well-known service industry in Bangladesh for people looking for work.
- There are also more local companies getting bigger in the market.

## **2.4 Competitors**

DataPath Ltd.'s main straight competitor in Bangladesh is FINSO, which gives services that are similar to those of DataPath Ltd. But this competing company is behind in many ways because it just got into the business. At the moment, DataPath Ltd. has the biggest share of the market. Due to the long training and hard work needed to become a master in this area, it is unlikely that new players will join the market.

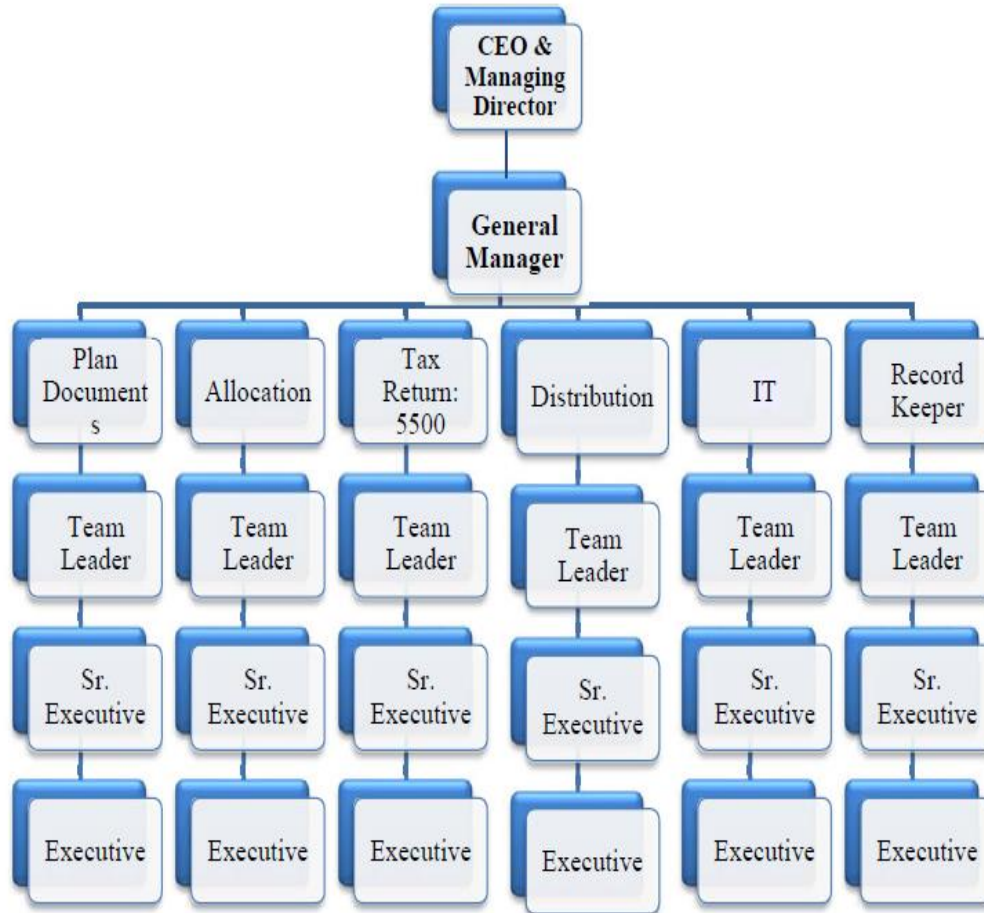
## 2.5 Organizational Structure

The company's overall organogram is as follows:

- CEO & Managing Director
- Directors
- Senior Managers
- Department Managers
- Assistant Managers
- Senior Team Leaders
- Team Leaders
- Assistant Team Leaders
- Quality Assurance Executives
- Senior Executives
- Executives
- Trainee Executives

DataPath Ltd. begins with a modest staff, and over time, the business owner progressively builds up a competent group of employees. July Corporate Services has always upheld a distinguished reputation within the pensions industry, a reputation that has spread to include a wide range of businesses and workers. Communication between July and Data Path Ltd. based on a cooperative model is a top priority for both parties. Senior executives in top management engage in direct interaction with customers and monitor the distribution of tasks across different divisions. The general manager is responsible for receiving daily progress reports from the heads of departments, as well as from their subordinates. Within each department, tasks are broken up and given to a variety of different groups to work on. Each team has around eight to ten individuals and is directed by an experienced team leader. These leaders are responsible for delegating day-to-day responsibilities to members of the team, which frequently includes senior managers, trainee managers, and interns. The members of the team take on the duty of ensuring that daily operational duties are finished on time and that the team leaders are kept up to date in a timely manner.

The fundamental organizational structure of DataPath Ltd. is as follows:



**Figure 2.1: DataPath Limited's Organizational Structure**

When DataPath Ltd. started doing business, there were only 6 people on the board of directors. The company now has more than 450 workers, which is a result of how quickly it has gained new customers. In recent years, the company has grown a lot, which has led to a steady rise in the number of employees. At the moment, the company only has one office, which is at 99 Ambon Complex, Mohakhali, Dhaka-1212.

## **Chapter 3: Project Part**

### **3.1.1 Background**

The topic of "Retirement provident fund and the future of the BPO sector in Bangladesh: A case study on Data-Path Ltd." is centered on two main aspects. First concentrates on retirement provident funds, which are financial schemes established to provide employees with financial security and support after retirement. These funds seek to accumulate assets during a person's working years in order to provide a consistent income after retirement. Second, the topic investigates the future of the Business Process Outsourcing (BPO) industry in Bangladesh, specifically through the lens of Data-Path Ltd., a company that operates in this industry. It evaluates the role of retirement provident funds in attracting and retaining skilled professionals within the sector and investigates the challenges, opportunities, and potential growth prospects for the BPO sector in Bangladesh. In recent years, the intertwined dynamics of retirement provident funds and the burgeoning Business Process Outsourcing (BPO) sector in Bangladesh have received considerable attention. As the global economy evolves, securing post-retirement financial stability for employees becomes of paramount importance. In addition, the BPO industry has emerged as a significant contributor to the nation's economic development, nurturing employment opportunities and technological advancement. Understanding the relationship between retirement provident funds and the BPO industry may yield novel insights into the long-term viability of both individual professionals and the industry as a whole. Despite the importance of retirement provident funds in maintaining retirees' financial security, its impact within the context of the BPO industry is poorly understood. The impact of retirement provident funds on the recruitment, retention, and productivity of BPO industry workers is underappreciated. It is important to carefully explore the possibilities and threats facing the BPO business in Bangladesh, especially through the lens of a company like Data-Path Ltd., despite the fact that this sector is growing rapidly in the country.

### **3.1.2 Objectives**

- To provide an overview of Bangladesh's Business Process Outsourcing (BPO) industry.
- To analyze the effect of BPO practices on employee financial security assurance.
- To analyze methods for enhancing retirement planning in Bangladesh.

### **3.1.3 Significance**

The analysis of the retirement provident fund and the prospects for the business process outsourcing (BPO) industry in Bangladesh, notably within Data-Path Ltd., bears a significant amount of value. To begin, it offers the chance to investigate the financial stability of the workforce, highlighting the necessity of healthy retirement savings in maintaining the well-being of employees. Second, it provides an insight into the prospective growth and prospects in the BPO business in Bangladesh, which plays a key role in the development of the economy as well as the generation of jobs. A case study on Data-Path Ltd. provides useful, real-world insights that may aid policymakers, corporations, and employees in appreciating and navigating these important factors for the overall socio-economic development of the country.

## **3.2 Methodology**

- **Qualitative Data-** A organized questionnaire was used as a qualitative research method for this study to find out more about Business Process Outsourcing (BPO) and making sure that employees' financial security is guaranteed in Bangladesh. Open-ended questions asked about people's experiences, thoughts, and views, which gave researchers a lot of rich, complex data to look at in more detail.
- **Interview-** I took interview of company's Senior Manager, Senior Team Leader and Assistant Team Leader.

## **3.3 Findings and Analysis**

### **BPO Industry Growth in Bangladesh:**

In Bangladesh's Business Process outsourced (BPO) business, things have grown really quickly over the last ten years, making it a major player in the outsourced world. Several important things have led to this growth. Bangladesh is ahead of the competition when it comes to how well it uses money. The country has a lot of highly qualified employees who can speak English, and their labor costs are much lower than those in many other places where companies outsource work. Global companies have set up strong operations in Bangladesh because it is a cost-effective place to do business process outsourcing (BPO). Furthermore, the Bangladeshi government has taken active steps to build an environment that is favorable for the growth of the BPO business. Some of these

steps are putting policies into place, offering benefits for foreign investments, building up infrastructure, and making progress in communication and information technologies. The global spread of the COVID-19 virus also sped up the digital change of businesses around the world, which increased the need for outsourcing services. Bangladesh's BPO industry has gained from this trend by providing affordable and adaptable ways to improve operations while working from home. Bangladesh's BPO industry is growing quickly thanks to low costs, help from the government, and a growing need for outsourced services around the world. This is creating a lot of job chances for the country's people.

### **Impact on the Job Market:**

In Bangladesh's Business Process Outsourcing (BPO) business, the retirement provident fund system has a big impact on the future. This is especially true for Data-Path Ltd. Setting up a strong provident fund scheme could have a huge effect on the job market in the country. To begin, a properly set up provident fund can help the BPO industry hire better people. People looking for work are more likely to be interested in companies that offer long-term perks like retirement savings. This can make the job market more competitive, which can help companies like Data-Path Ltd. provide better services. Second, a provident fund system makes sure that workers will have enough money in their retiring years. In the BPO industry, this sense of security can make workers happier with their jobs, keep them longer, and keep them from leaving. As a result, the industry can grow and come up with new ideas thanks to the stable and experienced employees.

Setting up a retirement provident fund scheme could be a key part of making the job market in Bangladesh's BPO field better. It not only brings in top talent, but it also makes jobs more stable and satisfying, which helps the sector grow and develop.

### **Employee Financial Assurance:**

Financial security assurance for employees in the BPO sector in Bangladesh consists of several key components-

- 1. Retirement Provident Fund:** The establishment of a meticulously planned retirement provident fund is critical in guaranteeing the enduring financial stability of employees. By means of employer and employee contributions, this fund guarantees a retirement nest account.



**2. Health Insurance:** It is imperative to provide employees and their families with comprehensive health insurance coverage in order to safeguard against unforeseen medical costs. It affords individuals the opportunity to obtain high-quality medical care without the financial strain of exorbitant medical expenses.

**3. Competitive Salary and Benefits:** By providing competitive remuneration in addition to performance-driven bonuses and incentives, employers can effectively support their staff's daily financial requirements while also encouraging long-term savings.

**4. Career Growth Opportunities:** Programmed for skill enhancement and career progression afford personnel the chance to augment their long-term financial capabilities.

**5. Financial Literacy Programs:** The provision of financial education and guidance to personnel enables them to make well-informed choices pertaining to investment management, retirement planning, and financial management.

**6. Job Security:** The implementation of equitable employment policies and contracts that guarantee job stability contributes to the alleviation of financial concerns experienced by employees.

**7. Employee Assistance Programs:** Offer assistance in the form of counselling services or loans to mitigate acute financial strain caused by personal and financial difficulties.

**8. Work-Life Balance:** Fostering work-life balance enables employees to effectively manage their finances by providing them with the flexibility to pursue supplementary income-generating endeavors or operate side businesses.

### **Importance of Financial Security Assurance:**

BPO (Business Process Outsourcing) workers' job happiness and performance depend on financial stability. Long hours, international clientele, and sensitive data are typical in BPO positions. In such a rigorous atmosphere, knowing they have a retirement provident fund helps ease workers' financial anxieties.

**1. Job Satisfaction:** Retirement provident funds reduce financial stress and worry for employees. This increases job satisfaction since workers can concentrate on their work without worrying about retirement.

**2. Performance:** Financially secure workers are more productive and engaged. They want to do well, fulfil goals, and help their company succeed.

**3. Retention:** A strong retirement fund may boost employee retention. A firm that cares about employees' long-term financial well-being has lower recruitment and training expenses since employees remain longer.

BPO workers' job happiness and performance are improved by retirement provident fund financial stability. It helps people and the BPO business in Bangladesh because happy, secure workers are more likely to provide excellent customer service.

### **BPO Practices in Bangladesh:**

Bangladesh's booming Business Process Outsourcing (BPO) industry uses various similar practices and tactics to suit customer expectations and employee welfare.

**1. Flexible Work hours:** Many Bangladeshi BPOs provide flexible work hours to satisfy workers' demands. This helps workers balance work and life, improving their well-being.

**2. Competitive Salaries:** BPO businesses provide competitive pay and perks to recruit and retain personnel. Employees may earn more than in other businesses, improving their financial stability.

**3. Training and Skill Development:** BPO businesses spend in staff training and skill development. These boosts work performance and long-term employability, boosting financial stability.

**4. Career Progression:** BPOs provide clear career routes for workers. Promotions and professional progress may boost income and employment security.

**5. Retirement Benefits:** Some Bangladeshi BPOs provide retirement provident funds or pension programmed to assure employee financial stability after retirement. This extra financial preparation might be vital for long-term health.

Bangladeshi BPO practices combine customer demands with employee financial stability and well-being. These practices may improve workers' lives by providing competitive pay, professional progression, and retirement benefits.

Within the framework of Bangladesh, some BPO practices have the potential to have a sizeable influence on the financial stability of staff members. The development of a retirement provident fund, which contributes to the enhancement of financial security for BPO workers, is a constructive practice that should be encouraged. Employees who work for companies that provide such plans have the opportunity to put money away for their post-retirement years, which acts as a financial cushion for them in the future.

On the other hand, unfavorable practices can include insufficient pay and benefits. The low pay and limited employee benefits that BPO employees get may be detrimental to their financial stability, making it impossible for them to save money or prepare for their retirement. Furthermore, work insecurity as a result of shaky contracts or a lack of employment stability within the sector may also have a detrimental influence on a person's financial security. This can be a result of both of these factors.

### **Challenges and Risks:**

In Bangladesh, BPO personnel may be exposed to a variety of obstacles and dangers that threaten their financial stability.

**1. Job Stability:** The Bangladesh business process outsourcing (BPO) industry can be affected by changes in the global demand for outsourcing services and the economy. Through times of economic downturn, workers may face the chance of losing their jobs or having their hours cut back.

**2. Insufficient Retirement Benefits:** Many businesses process outsourcing (BPO) companies in Bangladesh do not provide enough retirement benefits, such as a provident fund or pension plan. Because of this, workers have to do their own long-term planning for their money.

**3. Insufficient Savings:** People who work in the BPO sector may have trouble saving enough money for retirement because their pay isn't very high. This is especially true if they also have to pay for things like their families or return loans.

**4. The impact of inflation:** High inflation rates could lower the real value of retirement funds and make saves less valuable. This could mean that workers won't be able to afford to live the way they want to in retirement.

**5. Investment Knowledge Deficit:** BPO employees who don't know much about money or investments may have to make bad investment choices, which could put their retirement funds at risk.

In order to tackle these challenges, it is imperative that employers and BPO employees place equal importance on retirement benefits, savings plans, and financial education in order to secure a more prosperous future.

### **Regulatory and Legal Frameworks:**

Bangladesh has rules and laws that control the retired provident fund and the future of the business process outsourcing (BPO) industry. These rules and laws are meant to protect the financial security of BPO workers. The Bangladesh Labor Act of 2006 says that Data-Path Ltd. and other business process outsourcing (BPO) companies must put money into the Employees' Provident Fund (EPF) for their employees. By helping people save for retirement, this EPF makes sure that workers will get some of their salary when they leave.

The government also passed the Bangladesh Export Processing Zones Authority (BEPZA) Act to promote investment and job creation. This law controls the activities of business process outsourcing (BPO) companies that work in export processing zones and offers a range of incentives and benefits. These law systems' main goal is to protect the financial well-being of business process outsourcing (BPO) workers by guaranteeing them retirement benefits and stable jobs in the sector.

### **Employee Benefit and Compensation:**

BPO companies normally hires business graduates, so to keep market standard, starting salary starts from 25,000 – 30,000 BDT. Then with responsibility and promotion almost every year, an employee receives a salary increment. A manager working in our sector with 10-14 years may receive 1,20,000- 1,50,000 BDT. Other than monthly salary, we receive 60% of salary at two Eids and after completion of one year of work we receive a month's salary additionally.

For future financial security/provident fund, from each employee's salary, 6% of the salary is removed. At same time, equal amount of 6%, employer also contribute to each employee provident

fund. Both the salary and provident fund offer employees a handsome amount of money which ensures financial stability and security.

### **Government and Industry Involvement:**

In Bangladesh, the government and business groups are very important for making sure that Business Process Outsourcing (BPO) workers are safe financially. Making it easier for the BPO business to grow, the government has done things like offering tax breaks and building up facilities. It also oversees labor rules that protect workers' rights, such as setting minimum wage levels and making sure workers are safe on the job.

Industry groups, like the Bangladesh Association of Call Centre and Outsourcing (BACCO), work with both the government and BPO companies to solve problems that affect employees. They set standards for the industry, offer training and chances to improve skills, and act as a go-between for workers and companies to make sure everyone gets paid fairly and has a job.

The government and industry groups working together is very important for keeping the jobs of BPO workers in Bangladesh safe financially. They do this by creating an environment that is stable, competitive, and employee-friendly so that the industry can grow.

### **Future of BPO Industry in Bangladesh:**

Several emerging trends connected to employee financial security guarantee are expected to be observed in the growing landscape of the Business Process Outsourcing (BPO) business in Bangladesh.

**1. Provision of Healthcare and Insurance Benefits:** Companies should make sure their workers are taken care of by offering a wide range of health care and insurance benefits, such as coverage for unexpected medical costs and help in case of an accident.

**2. Retirement Planning:** More people are likely to use retirement savings plans like provident funds and pension schemes, which will help workers become financially stable in the long run.

**3. Financial Wellness Programs:** Companies that do business process outsourcing (BPO) could put money into putting in place financial health and education programs. Their goals with these programs are to give their workers the knowledge and tools they need to handle money well.

**4. Flexible Compensation Packages:** Personalized pay packages can be set up, which could include stock options and bonuses, so that workers' goals and the company's successes are in line with each other.

**5. Remote Work and Flexibility:** As working from home becomes more common, companies may change their financial security rules to keep up with the changing nature of work.

**6. Emphasis on Regulatory Compliance:** To protect employees' rights and interests, there will be more of a focus on following labor and financial rules.

In order to do well in today's fast-paced world, BPO companies in Bangladesh need to put their workers' well-being first and make sure they have the right financial security measures in place so they can hire and keep highly skilled pros.

### **Bangladesh Government's Retirement Policy**

For the most part, this retirement savings scheme in Bangladesh is handled by the government. The rules for the salary are set by the laws for public servants. It is no longer possible for personal organizations in Bangladesh to get retirement benefits. Still, there is no example of using any kind of retirement plan with the help of a sole proprietorship. Here is a list of the leaders of Bangladesh's government retirement schemes:

**1. No Schemes for Private Sectors:** There is no schemes for the private sector. Most people in Bangladesh work for private companies. There is no standard plan for how to pay workers in non-public zones when they leave. When they leave, they only get a small bonus. The government says there are no pension rules for them.

**2. Lack of Self-dependency:** In Bangladesh, older people rely on their teens and young adults so that they don't shut down when they get old. Some people follow this strategy, but the amount isn't enough to make a difference in their lives.

**3. Qualifying Conditions:** The scheme is only for people who work for the train or the government. A government worker usually quits at age 57 or freely after 25 years of service, whichever comes first. It is 60 for teachers and people who fight for Bangladesh's freedom. And you have to work for 25 years before you can retire early.

All Departments Must Follow the Same Rules: Because the government's rules apply to everyone, these rules don't change from company to company. There is no longer a matching payment or salary sharing. In fact, no one knows them in these terms. There is no risk for the company to switch the services or coverage that is given to the employee.

### **3.4 Summary and Conclusions**

In conclusion, Bangladesh's Business Process Outsourcing (BPO) business has grown a lot. This is mostly due to its cheap labor force, English-speaking workers, and help from the government. Setting up retirement provident funds and making sure that workers are financially secure have been very important in shaping the future of this sector. A properly set up provident fund system not only brings in the best employees, but also makes sure they stay with the company for a long time, which promotes growth and new ideas in the industry. Financial stability, which includes competitive pay, health insurance, chances for job growth, and programs that teach people how to handle money, is very important for the health and happiness of workers. Additionally, laws and rules like the Employees' Provident Fund (EPF) and the Bangladesh Export Processing Zones Authority (BEPZA) Act help to protect workers' financial health. Even though there are problems, like job insecurity and inflation, working together with the government has built a strong base for making sure that BPO workers can afford to live comfortably. In Bangladesh, the future of the industry will be shaped by trends that stress financial wellness programs, flexible pay, remote work, healthcare benefits, and following the rules. These changes are all meant to protect employees' finances and help the industry succeed.

### **3.5 Recommendations**

To enhance the assurance of financial security for employees in Bangladeshi BPO firms, the following key recommendations may be implemented:

- 1. Competitive Compensation:** Ensure that employee remuneration is competitive and aligned with the existing industry standards. It is important to regularly review and modify compensation schedules in order to accommodate market movements and inflationary factors.

**2. Benefits Packages:** Offer all-encompassing benefits packages to employees, encompassing health insurance, retirement plans, and performance-based incentives, with the aim of augmenting their financial welfare.

**3. Financial Education:** Provide financial literacy seminars and programs to assist employees in effectively managing their finances, encompassing tasks such as budgeting, saving, and investing.

**4. Promoting Job Stability:** Cultivate a work environment characterized by stability through the reduction of job insecurity, the establishment of transparent career advancement trajectories, and the resolution of work-related stressors.

**5. Emergency Funds:** Provide employees with the opportunity to establish emergency funds through the implementation of automatic savings deductions from their salaries.

**6. Employee Assistance Programs:** Establish employee assistance programs designed to offer assistance in the face of personal and pecuniary difficulties.

**7. Open Communication:** Establish and maintain reliable and transparent communication channels with employees, where their concerns are heard and constructive feedback is actively sought to identify opportunities for improvement.

**8. Regular Performance Reviews:** Implement a routine system of performance evaluations and award merit-based salary increases or promotions.

By incorporating these suggestions, business process outsourcing (BPO) firms in Bangladesh have the potential to bolster the assurance of financial security for their employees, thereby cultivating a workforce that is more content and committed.



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## **Appendix**

The information for the report came from a questionnaire. The questions in the questionnaire are-

- Your experience in the field of Business Process Outsourcing (BPO) and employee financial security assurance?
- How would you describe the current state of the BPO industry in Bangladesh in terms of growth and its impact on the job market?
- What are the key components of financial security assurance for employees working in the BPO sector in Bangladesh?
- From your perspective, how important is financial security assurance for BPO employees, and how does it affect their job satisfaction and performance?
- What BPO practices or strategies are commonly employed in Bangladesh? How do these practices impact employees in terms of financial security?
- Are there any regulatory or legal frameworks in place to address these challenges and protect the financial security of BPO employees?
- How do BPO companies typically structure employee benefits and compensation packages in Bangladesh, and how do this impact financial security?
- What trends do you foresee in the BPO industry in Bangladesh in terms of employee financial security assurance?