

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Increasing @ of Employee Attrition in BPO Companies in NCR

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Abstract:

In the global business scenario, Business process outsourcing (BPO) industry in India is on top of the list moving ahead with an unparalleled velocity. In spite of fast growth and brilliant future, it has experienced high attrition rates since its commencement. The workforce comprises mostly of knowledge workers, techno savvy, aware of market realities, focused materially and who have higher propensity to switch jobs. Attrition in BPOs is due to many factors and much research has been done from time and again. Acquiring new talent and retaining the existing talent is becoming a challenge now. In this study, an attempt is made to explore the reality of attrition and how people are managed in BPOs. The study has adopted an explanatory research design to recognize the employee turnover reasons. Data was collected through primary and secondary sources through semi-structured questionnaire filled by respondents.

Keywords: Business process outsourcing (BPO), attrition, retaining, turnover factors

1. Introduction

The ITES/BPO industry is a young and budding sector and despite its recent arrival, the industry has developed amazingly and has become an important part of the IT software and services environment. India is progressing from being an international IT power house to the world's back office provider for the twenty first century (Paul Davies, 2004). The IT enabled services (ITES) (Sheridan, 1998) and Business Process Outsourcing (BPO) (Blueul, 2001) represents the fastest growing industry. BPO industry is the part of the ITES industry. The picture, however, is not as flushed as it appears for this sector with massive prospective. This industry is going through its share of turmoil during its growth phase. Its fastest growth has added to its problems. Experts and past experiences say, all these would help the industry in stabilizing and maturing.

Business Process Outsourcing (BPO) has change the scenario the way the world does business today. With globalization speeding up it would be difficult to see a world without the Outsourcing industries. Outsourcing is the transferring of processes along with the connected operational activities and responsibilities to a 3rd party and where the client contains a firm grip over the activities of the vendor for mutual long term success. The key aspect is transfer of control. In outsourcing, the buyer does not instruct the supplier how to perform the task but instead focuses on communicating what results it wants buy; it leaves the process of accomplishing those results to the supplier. India is an attraction for multinational corporations (MNCs) as there is accessibility of technical and computer-educated human resources who are ready to give efficient and effective services at lower response time. (Budhwar, Luthar, Bhatnagar, 2006)

ITES or BPO industry in India is facing many challenges which include shortage of knowledgeable managers for the middle and senior management and the soaring attrition rates, resistance from the US politicians and the UK labor unions against shifting of the BPO operations by local companies to India (Mishra, 2007). NASSCOM has agreed that shortage of middle and senior level managers is in fact a dangerous issue. Entry-level recruitment and employment is not a problem as many fresh graduates with good language skills, are available in the job market. The problem faced by them is, poached, the middle and senior level managers are being poached by the new entrants to the industry (Naidu, R M 2011). The average attrition in manufacturing industry is in the range of 10% to 20% whereas in the case of BPOs is to the extent of 35% to 40% and in some cases it is as high as 60%.

1.1. Employee Attrition

Attrition is the decrease in the number of employees due to any reasons: through retirement, resignation or death. Lessening of employees as result of retirement could be considered in advance but those due to resignation for any reasons have to be geared up, hence, a careful study is necessary. There is no standard reason why people leave organization. Employee turnover is the rotary motion of workers around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment. Turnover is the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period.

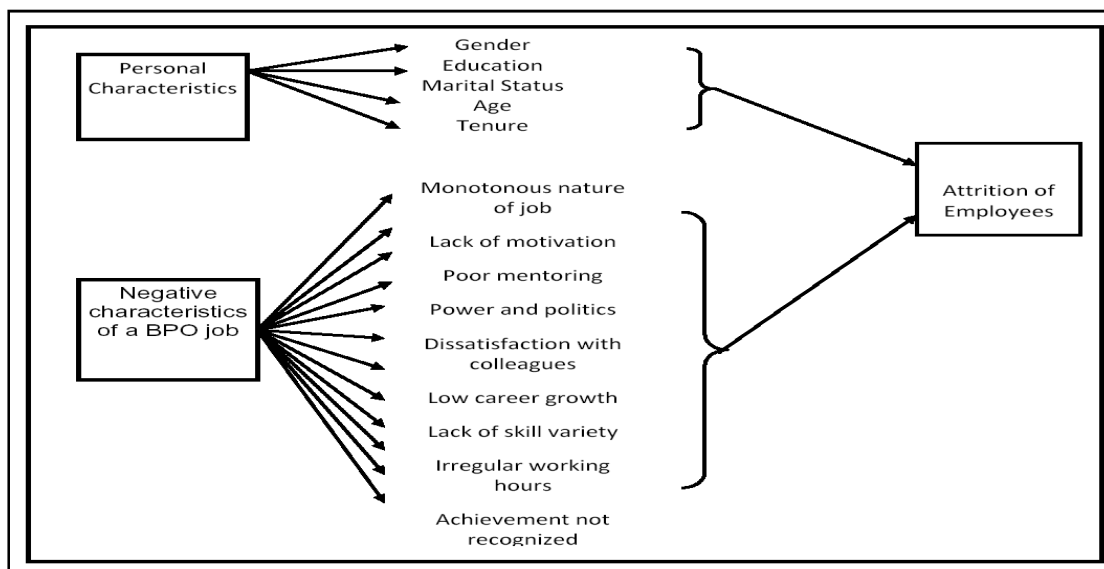


Figure 1: Basic Model of Attrition

1.2. Employee Retention

Employee retention refers to the ability of an organization to retain its employees. Employee retention can be represented by a simple statistic (for example, a retention rate of 80% usually indicates that an organization kept 80% of its employees in a given period). Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Retention involves five major things namely compensation, environment, growth, relationship and support. The retention is very difficult without job satisfaction and motivation.

1.3. Retention - A Big Challenge

Hiring and retaining good employees have become the principal concerns of nearly every company in every industry. Companies that understand what their employees want and need in the workplace and make a strategic decision to proactively fulfill those needs will become the dominant players in their respective markets. The vicious competition for qualified workers results from a number of workplace trends, including:

- A robust economy
- Shift in how people view their careers
- Changes in the unspoken "contract" between employer and employee
- Corporate cocooning
- A new generation of workers
- Changes in social mores
- Life balance

Concurrent with these trends, the emerging work force is developing very different attitudes about their role the workplace. Today's employees place a high priority on the following:

- Family orientation
- Quality of life issues
- Autonomy

Smart employers make it a strategic initiative to understand what their people want and need, and then give it to them.

1.4. Importance of Employee Retention

Any organization when it hires good quality people, skilled them and built them into high-performing teams, will never want to lose them. A number of the rationale that describes the significance of the same:

- A contented organizational community.
- A team of helping members when needed.
- A team of members which might be potentially be prospective leaders.
- A strong pointer of organizational achievements.

1.5. Causes of Employee Turnover

Salary Scale: Most frequent reason for high turnover rate. Employees hunt for a job which pays well. If the business in which they are work, does not give good salaries, they look for another jobs which would pay them significantly well. An unsatisfactory performance appraisal is also one of the grounds for employees leaving a company.

Benefits: Employees prefer companies who offer them more benefits. They should be aware of the benefits offered to them in their compensation package. Employers should have the knowledge of the benefits provided by other organizations, which may attract their current employees.

Advancements and Promotion Policies: one of the main reasons as to why many mid-level executives leave the company. With bleak potential opening for promotions, they would prefer other companies which might offer them with advanced posts and amplified compensation packages.

Working Environment: Employees favor to work in an atmosphere which is appropriate for them. After they find a suitable work environment in a particular company, they might work in the same organization for quite a few years.

Working Procedures: Businesses should examine and modify their work procedures and policies, which would facilitate the employees to use their potential fully and help to gain considerable work experience.

1.6. Effects of Employee Turnover

When employees depart from an organization, they carry with them precious implicit knowledge which is often the source of competitive advantage for the business. In a swiftly budding sector like the Indian software industry employee attrition poses threat and challenges for organizations. Many researchers disagree that high turnover rates might have harmful effects on the prosperity of organizations if not managed properly. Some argue that it effects on customer service and satisfaction which includes other costs, such as lost productivity, lost sales, and management's time. This clearly shows that turnover affects the productivity of the organization and if it's not managed appropriately it would have the harmful effect on the revenue. Intentional turnover incurs considerable cost, both in terms of direct costs (replacement, recruitment and selection, temporary staff, management time), and also in terms of indirect costs (morale, pressure on remaining staff, costs of learning, product/service quality, organizational memory) and the loss of social capital (Ongori, H. 2007).

1.7. BPO's in India: A Profile

Main Factors in the Explosive Growth of the Indian BPO Industry

Budhwar, Luthar and Bhatnagar (2006), through their study confirmed that, the initial focus of Indian BPO industries was on creating a strong and reliable platform, by means of technology as a selling point, thus building on the success of the Indian software industry of the late 1990s. After that it moved to the development of level of infrastructure where technology is increasingly used as a differentiator and for bettering the quality of service delivery. Reasons responsible for offering quality of service are: - First, India is known as "people attractiveness." producing over two million English-speaking graduates every year, ready to work for salaries that are lowest paid than paid to their Western counterparts. Availability of technical and computer literate human resources offering efficient and effective service makes India a magnet for multi-national corporations (MNCs). Second, India has the advantage of "location attractiveness." Foreign firms save huge by outsourcing their processes to India, due to availability of a comparatively inexpensive but strong and established infrastructure, offering telecom services, improved international bandwidth, technology parks, a well-developed software industry, and an existing base of blue-chip companies already operating there. Many Indian BPOs have productively adopted several global industry standards such as SEI-CMM, ISO, TQM, Six Sigma Quality, and COPC. In addition to it, Indian BPOs are adopting standards such as ISO 17799, BS7799, COBIT, and ITSM. Indian government is now providing a more encouraging regulatory environment for global corporations with benefits like the ten-year tax holiday and rebates in custom duties.

BPO or Business Process Outsourcing thus refers to the rearrangement of entire business functions to some other service providers, primarily in low cost locations. The service provider may be either self-owned or a third party. Indian BPO industry can be divided into six categories (Arora, R. 2012):

1. Captive Units set up by global companies that outsource their back-office operations from India.
2. Indian Third-Party Vendors that execute transactions and processes for international clients.
3. Joint Ventures between international BPO companies and Indian partners.
4. Indian IT Software Companies that have added BPO to their service portfolio.
5. Global BPO Players who set up call centers in India (for example, Convergys).
6. Global Consultancies (such as Accenture) who have been advising their clients on outsourcing and are now leveraging this experience into providing actual BPO service.

The most prevalent form of BPOs operating in India is that of either Captive Units or the Third- Party Vendors.

The depressing side of the BPOs is that it has to face a host of challenges, which includes shortage of competent managers for the middle and senior management; high attrition rates; poaching of managers by the new entrants to the industry; opposition from the US politicians and the UK labor unions against shifting of the BPO operations by local companies to India.

Year	Attrition Rate
2003	18%
2004	33%
2005	50%
2006	52%
2007	58%
2008	55%
2009	57%

Table 1: Attrition rate of BPO industry (Source NASSCOM 2009)

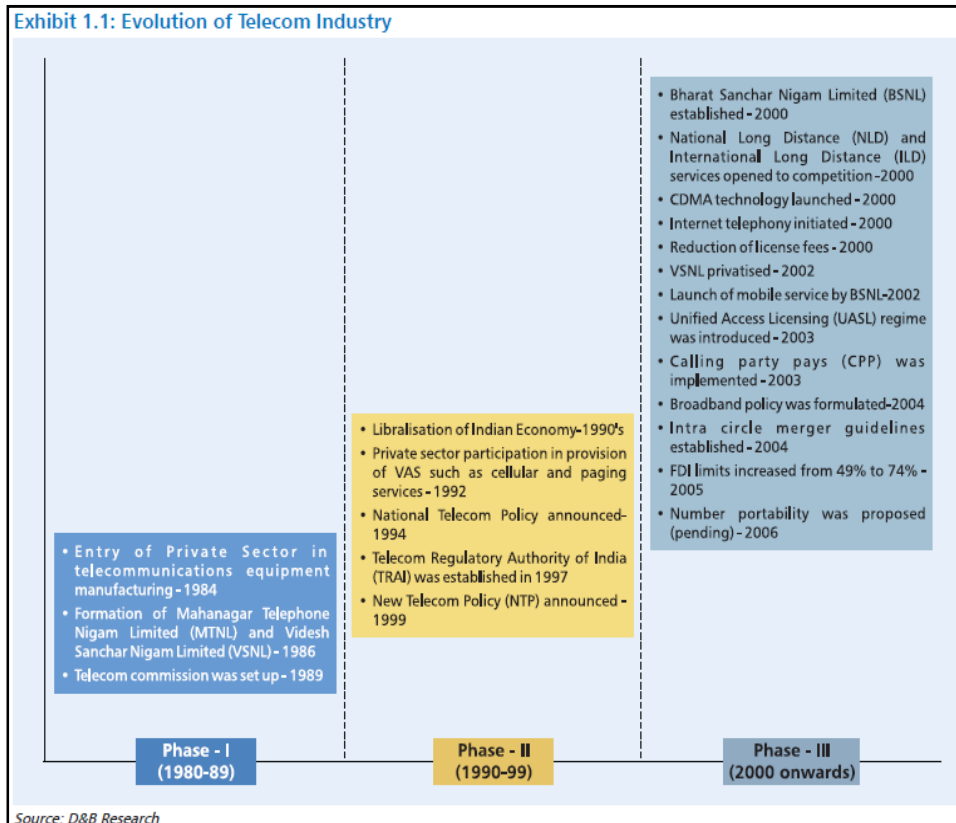


Figure 2: Evolution of telecom industry

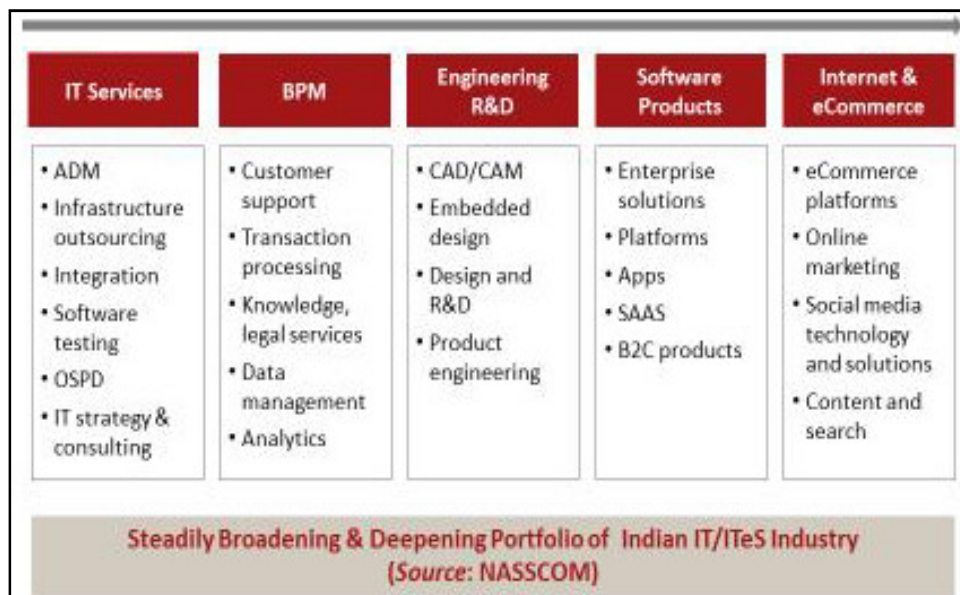


Figure 3: Expansion of IT/ITeS industry

1.8. Demographic Variables: Age, Gender and Marital Status

The writing available on the impact of demographic variables like age, tenure, gender and education on leaving behaviours has been uncertain. A number of studies have reported a positive connection between absenteeism and educational level and gender (Steel & Rentsch 1995). In a review of literature on turnover among sales professionals, Lucas, Parasuraman, Davis and Enis (1987) report that, among all personal character, the most studied and the most consistent in its relationship to turnover is the employee's age. Older employees were less likely to leave the organization than younger employees. A few studies show from beginning to end quantitative evidence that age alone is a not enough interpreter of intentional turnover. Ahuja, Chudoba, Kacmer, Mcknight and George (2007) in their study on the IT sector in India, found that age had an unassuming but noteworthy effect on turnover purpose. Gender and marital status also affected turnover intention. Many employees are young in age on their own wish go for turnover when their spouses change jobs or relocate to other cities. Clearly, there is advantage in examining the relationship between demographic variables like age, gender, marital status and turnover in the context of the Indian software industry.

Retention strategies adopted by ITeS industries have to be viewed holistically against the total systemic framework of talent management that encompasses the 'talent', the 'corporation' and the 'environment'. Attrition and retention are give-and-take phenomena, and have an inverse relationship with each other. Other important considerations being; the pay package and other fringe benefits, the class and quality of people that work in the company, the challenges of the job and attractiveness of the position and designation, the opportunities for career growth and professional development and the kind of technology, he would be exposed to.

2. Literature Review

Business process outsourcing (BPO), on one hand reminds us of well-groomed youth on calls, fast money, and phenomenal lifestyles but, on the other hand lopsided working hours, unimaginable attrition rate, stress and burnout exhibit its ugly side (Sengupta and Gupta, 2011). BPO has become the evident strategic choice of the companies looking at the visible profits of cost reduction while improving the quality of service, increasing shareholder value, etc. (Shah and Sharma, 2007). Rapid developments in information technology, economies of scale; along with an increased emphasis on customer satisfaction are perhaps the most important factors contributing to the quick growth of the call centre industry (Tuten and Neidermeyer, 2004).

Ryan, S. & Harden, G (2014), explores the consequences of gender on the dimensions of job embeddedness, which are employees fit with other aspects of life and environment in the organization, potential sacrifice involved in financial and psychological loss by leaving the organization and links is the official or casual connection to others in the organization. There was a noteworthy difference among male and female in terms of embeddedness and this can be resolved by providing a culture that is equally supportive to both male and female workers. Factors which affects an employee's intention to leave or to stay in the organization are- welfare benefits salary, leave benefits, retirement plan, non-monetary benefits, career development programme, good communication channel, leaving opportunities, equal growth opportunities, opportunities for personal growth, job security, fair pay, challenging job, promotion prospectus (James and Mathew, 2012).

India also enjoys the advantage of "location attractiveness." Foreign firms have huge savings by outsourcing their process to India as there is the availability of a comparatively economical but strong and established infrastructure which offers telecom services, improved international bandwidth, technology parks, a well-developed software industry, and an existing base of blue-chip companies already operating there. (Budhwar, Luthar, Bhatnagar, 2006)

The study revealed, employee expectations are higher than organizational expectancies. Their continuing effort and the concurrent deployment of well integrated and sophisticated HRM infrastructures corroborate the notion that compensation packages are important, but still it has limited success in staff motivation and retention (Ananthan and Rao, 2011).

For BPO industry: As stated by (James and Mathew, 2012) factors which affect an employee's intention to leave or to stay in the Organization are: Welfare benefits, Organization culture and Personal satisfaction. According to (Goswami & Jha, 2012) some of the factors affecting attrition are: Money, Lack of Career Mobility and Challenges, Working Environment, High Levels of Stress and Lack of Work-Life Balance, Lack of Confidence in Supervision, Lack of Employee-job Fit, People don't get integrated, Goal setting unscientific & performance goals are unclear, Lack of Role Clarity and Lack of Proper Feedback.

According to the study, the BPO-ITeS sector has emerged as having the highest attrition rate of 65% during the last two years, giving a serious jerk to India's prospects as the most sought-after BPO destination in the world. BPO industry as a career option is fading among Indian youth, as now they are looking for long-term career progression and stability at work. For the BPO sector that employs one million people, the attrition rate has risen drastically to 65%, with a significant movement in middle and senior management levels, according to a recent report by the Associated Chambers of Commerce and Industry of India (Assocham). Experts point out that, once a sought-after job with a BPO company for the urban youth, is fast losing its attraction. Today most BPO jobs fail to provide a diversified career and opportunity for lateral movement, which, is acting against it. It is important for BPO companies to offer varied opportunities and not just hierarchical movement.

A "SWOT" analysis of Indian BPO industry (Vij, T S & Batra, G S., 2014, Panda, A K. 2012), they are:

Strength areas

- High-qualified and friendly English speaking work force available with high quality and price performance
- High-skilled manpower access to link with low cost structure.
- Call centers working in late shifts with suitable time-zone differences.
- Enlargement of telecom and power sectors in India. Off-shore development through Datacom links

- Flexibility, adaptability and reliability
- Global Research & Development
- Mature, experienced and stable vendors

Major weaknesses

- An improper match of academics and industry
- Expert's scarcity in specialized KPO and LPO market.
- Deficient infrastructural facilities in tier-II and III cities
- Lack of Package Orientation
- Lack of Internet Penetration

Opportunity areas

- The offshore market expanding into the activities at the higher end of the value chain
- Year-long experience of Indian BPO firms.
- Huge potential in small cities.
- Jumbo share of funds for higher education.
- Global market

Existing threats

- Current drift of job-shifting.
- Moderately higher rate of taxation attached with trade restrictions existing in India.
- Government interference, political instability and terrorism.
- Telecom infrastructure and lack of speed
- Geographical distance between vendor and client

2.1. Employee Retention Strategies

Different strategies can be used for retaining employees in the organization, such as: Top authorities must have good leadership skills, Motivation rewards to match the task, provide creative and challenging work, flexible timings, invest in training and growth for all employees, recognize employee performance, Provide a career path and Proper performance evaluations (Cheryl, 2012). Rajan, (2012) in his study suggested, provides basic benefits (like- paid vacations, pension plans, health and dental insurance); Special benefits; Work life balance; employee development etc. Research says that most of the employees leave an organization out of frustration and constant friction with their superiors or other team members, low salary, lack of growth prospects and motivation compel an employee to look for a change. (Gayathri, Kamalambal & Sivaraman, 2012)

All is not well for the call centres in India on the other hand. Some of the key barriers to growth as reported in the media and NASSCOM reports include: relatively poor electricity and telecommunications infrastructure; lack of customer service culture; cultural differences between employees and clients; under-trained operators speaking English with a heavy accent; scarcity of language skills other than English; employees with relatively little work experience; increasing automation of customer interaction technologies; regional political instabilities; increasing competition from other low-cost options such as the Philippines, China, Eastern Europe, South Africa; and increasing costs (Pande, 2005; Christopher, 2005; Rediff.com, 2005a, Sangameshwaran and Rai, 2005; NASSCOM, 2005b).

The impact of such constraints is clearly demonstrated by the fact that a number of operators in the business have gone bankrupt in the recent past (Business line, 2005).

2.2. Retention Strategies in ITES-BPO Industry

HR professionals all over the world, working in BPO industry are breaking their heads to formulate Retention Strategies but nothing is working in their favor. The average attrition rate in this sector is still 40-45%. No perks, no rewards...just nothing is working. Why people are leaving? Why there is high attrition rate.

2.2.1. Why people are moving?

When there are many benefits and privileges associated with BPO industry then what is making the BPO employees to change the company/industry? Is it only MONEY or anything else as well? After analyzing the industrial experts, the following reasons were observed, they are:

- No growth opportunity/lack of promotion
- For higher Salary
- For Higher education
- Misguidance by the company
- Policies and procedures are not conducive
- No personal life
- Physical strains

- Uneasy relationship with peers or managers

Bhatnagar, Jyotsna. (2007), conducted a study designed to test the effect of employee engagement on retention of employee. The study found, there was low engagement at the beginning of the career and at completion of 16 months with the organization and at intermediate stages of employment there was high engagement levels and loyalty, but only for a limited time. Organizations culture, career planning along with incentives and organizational support, were reasons for high attrition. Retaining employee for the first six months is a challenge to the HR department as reward and recognition work only for the first three months and later they become a hygiene factor. It is very difficult to hold the employee after 12 to 16 months as they look for growth and enrich their experience. Factors concluded as most important cause of attrition were:

- "organizational culture" (internal communication, customer centricity; work culture)
- "Career planning and incentives" (recognition, growth opportunities, career development, compensation and promotion)
- "Organizational support" (role clarity, infrastructure support, adequate training and vision alignment)

IT-BPO sector is creating employment for young India (According to NASSCOM's newsletters on Impact of IT-BPO Industry on the Indian Economy and Society)

IT-BPOs are now demonstrating end-to-end development offerings covering product innovation (conceptualization to delivery), product development (across the entire lifecycle) and more recently, business transformation and re-engineering. Indian IT-BPO sector is now in the space that was earlier reserved for the big names in the global IT sector such as EDS, IBM, HP among others. The sector in fact, accounted for over 10 per cent of India's total FDI in the last decade. The employment generation figures of the sector are very impressive. IT-BPO industry has created direct employment of 2.2 million and indirect employment of eight million. By 2020, the figures are expected to go up to 10 million and 20 million respectively. The signals are that significant global career opportunities will be generated due to the location-independent models. The NASSCOM study shows that by 2020, four million people will be directly employed by the IT-BPO industry from Tier 2/3 locations, a 20-fold jump in the number of employees operating

2.3. Employee Benefits Provided by Majority of the BPO Companies

Apart from the legal and mandatory benefits such as provident-fund and gratuity, other entitled benefits are following:

1. Group Medi-claim Insurance Scheme: This insurance scheme covers expenses related to hospitalization due to illness, disease or injury or pregnancy in case of female employees or spouse of male employees. All employees and their dependent family members (spouse, non-earning parents and children above three months) are eligible.
2. Personal Accident Insurance Scheme: This scheme is to provide adequate insurance coverage for Hospitalization expenses arising out of injuries sustained in an accident. This covers total / partial disablement / death due to accident and due to accidents.
3. Subsidized Food and Transportation: The organizations provide transportation facility to all the employees from home till office at subsidized rates. The lunch provided is also subsidized.
4. Company Leased Accommodation: Some of the companies provide shared accommodation for all the out station employees, in fact some of the BPO companies also undertakes to pay electricity/water bills as well as the Society charges for the shared accommodation. The purpose is to provide to the employees to lead a more comfortable work life balance.
5. Recreation, Cafeteria, ATM and Concierge facilities
6. Corporate Credit Card: The main purpose of the corporate credit card is enable the timely and efficient payment of official expenses which the employees undertake for purposes such as travel related expenses like Hotel bills, Air tickets etc.
7. Cellular Phone / Laptop
8. Personal Health Care (Regular medical check-ups): Some of the BPO'S provides the facility for extensive health check-up. For employees with above 40 years of age, the medical check-up can be done once a year.
9. Loans: Many BPO companies provide loan facility on different occasion's like- a medical emergency, of their wedding, initial settlement at the work location etc.
10. Educational Benefits: like- tuition fees, examination fees, and purchase of books subject, for pursuing MBA, etc.
11. Performance based incentives
12. Flexi-time: This provides opportunity to employees to work with flexible work schedules and set out conditions for availing this provision.
13. Flexible Salary Benefits: The Flexible Benefit Plan consists of: House Rent Allowance, Leave Travel Assistance, Medical Reimbursement, Special Allowance
14. Regular Get together and other cultural programs
15. Wedding Day Gift
16. Employee Referral Scheme
17. Employee Stock Option Plan

The actual question, why people are leaving? What types of retention strategies are required? What is expected from HR Professional and how they can address this issue?

2.4. Impact of Attrition

Employee turnover has a long-lasting effect on the organization's foundation. For replacing the employees, the organization again invests some tangible costs such as cost of replacement, culture management matters related with the new recruit etc. (Goswami & Jha, 2012).

- The Direct impacts are: soaring attrition point towards the failure of the company's capability to set effective HR policies, affects clients and business, it highlights internal strengths and weaknesses of the organization, constantly adding new hires, additional costs in training them, orientation of them with the company culture, which is a challenge. (Goswami & Jha, 2012)
- The Indirect impact: soaring attrition leads to decreased productivity, people departing causes others to work harder and this adding to more turnover. This has a major impact on the company's strength in administration their business in acutthroat environment. (Goswami & Jha, 2012)

2.5. Positive Impact of Attrition

Attrition in a controlled manner is always enviable and essential for the organizational growth and development. The organization has to differentiate "good attrition" from "bad / healthy attrition". Healthy attrition indicates the importance of less productive employees willingly leaving the organization. Attrition rates are viewed to be beneficial in a number of ways. (Goswami & Jha, 2012)

Kar, B P., Sharma, A., Borah, S. B, (2011), the official spokesperson of 'Kelly Services' says "Sectors employing first will face the monster (attrition) first, unless there are strong retention or job rotation policies". Mr. Goel of Global Hunt conversely, views attrition as healthy. He says: "A balanced attrition is healthy for an organization as it opens the avenue for fresh talent to come and create innovations which in turn can add lots of value to an organization". Low attrition leads to blocking new ideas and making people at ease in their approach. While, high attrition might not give chance to individual and organization to recognize and to take full advantage of their strength. Largely addressing, rapid job shifters will find it difficult to obtain a good job since they are not prepared to accept for long term or bigger roles," Mr. Goel commented (The Economic Times, Dec 24, 2010).

- It will lead to excessive manpower costs if all the workers stay in the same organization for a longer period of time, as their pay scale will be high.
- Continuation of service of these employees would have negatively impacted productivity and profitability of the company.
- Fresh employees carry new ideas, approaches, capabilities & attitudes.

Desirable turnover includes termination of employees with whom the organization does not want to have prolonged relationship. (Goswami & Jha, 2012)

It profits the organization in the subsequent ways:

- It removes blockage in the advancement of the company
- It generates vacancies for the entry of new flair
- It aids in developing high performance teams

Workforces who are not capable to balance their performance as expected and lack potential for future or need penalizing action. Even, as the rewards are limited, the pressures of competitive environment do not allow the management to over-reward the performers, however while undesirable employees leave the business, the good quality employees can be given the share that they deserve. (Goswami & Jha, 2012)

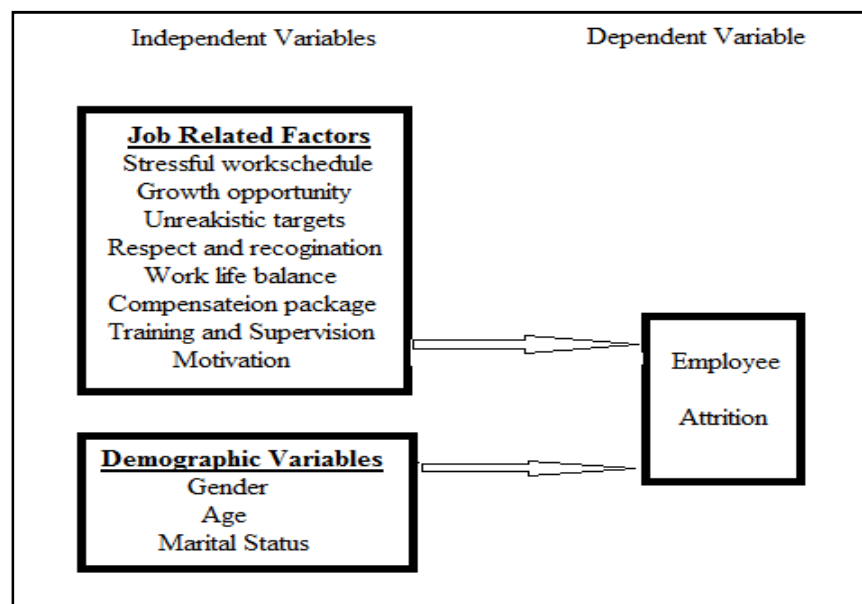


Figure 4: My research framework

3. Objectives

The present study aimed to explore the following issues:

- To study the factors for high employee attrition in BPO industry.
- To examine the relationship of selected Personal/Demographic variables with employee retention.
- Hypothesis 0 - Gender plays an insignificant role in employee’s duration of association (retention) with the organization.
- Hypothesis 1 - Gender plays a significant role in employee’s duration of association (retention) with the organization.
- Hypothesis 0 – Age plays an insignificant role in employee’s duration of association (retention) with the organization.
- Hypothesis 1 – Age plays a significant role in employee’s duration of association (retention) with the organization.
- Hypothesis 0 - Marital Status plays an insignificant role in employee’s duration of association with the organization.
- Hypothesis 1 - Marital Status plays a significant role in employee’s duration of association with the organization.
- Hypothesis 0 – Demographic variables does not have any influence on employee’s duration of association with the organization.
- Hypothesis 1–Demographic variables have influence on employee’s duration of association with the organization.

4. Result and Data Analysis

The required data for the study has been collected through primary sources by administering a pre-designed questionnaire/ schedule to the employees of BPO companies and gathering their responses. Simple random sampling technique was used for collecting data from the respondents so that they belong to heterogeneous age groups, gender, organization, marital status etc. Major sources of secondary data were various research articles, annual reports, books and magazines, journals, web sites related to the industry. The data so collected was properly analyzed and edited to get meaningful information. MS - excel software and pie-diagram has been used to analyze the data collected from 512 properly filled & returned by the respondents. The data so collected have been analyzed by using statistical tools and techniques like Mean Score, Standard Deviation, Factor Analysis, Student’s t-test, F- Test (ANOVA). The entire analysis was done using SPSS 17.0 version.

Reliability Analysis		
Factor	Cronbach’s Alfa	# of items
Employer Retention	0.923	13
Job Satisfaction Level	0.610	11

Table 2

Demographic Profile			
Demographic Variable		Frequency	Percentage
AGE	21 - 25 years	296	57.8
	26 - 30 years	116	22.7
	31 - 35 years	100	19.5
	Total	512	100.0
GENDER	Male	380	74.2
	Female	132	25.8
	Total	512	100.0
MARITAL STATUS	Single	316	61.7
	Married	196	38.3
	Total	512	100.0

Table 3

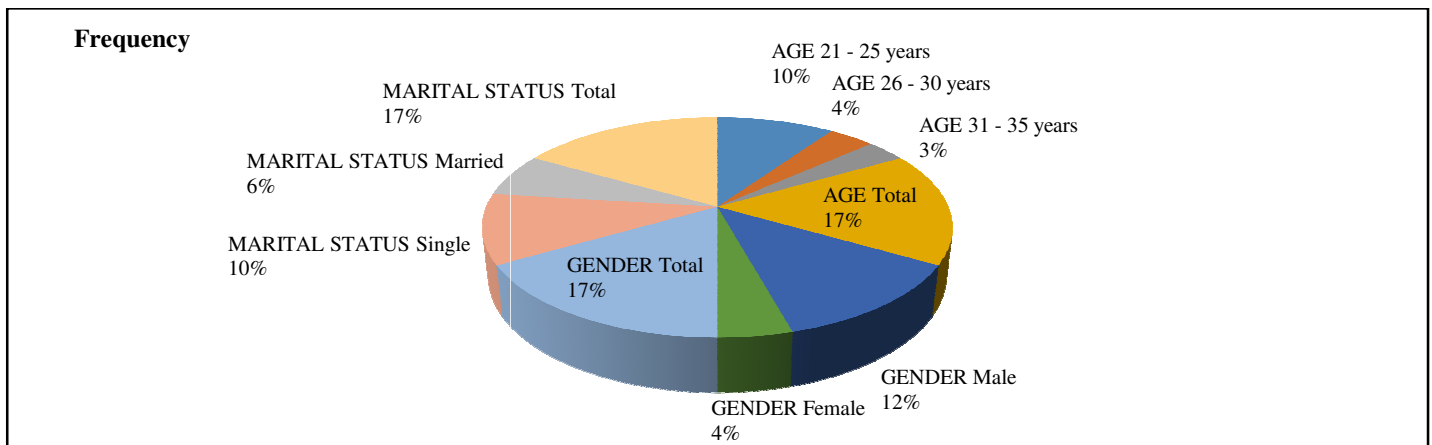


Figure 5

4.1. Basic Data of Respondents

- The total number of employees was 512. Of this 380 were male respondents and 132 were female respondents.
- It was found that most of the employees were young people, that is, in the age group of 21- 25 years of age.
- Majority of the employees 316 were single and 196 were married.

5. Data Analysis & Interpretation: Frequency Distribution

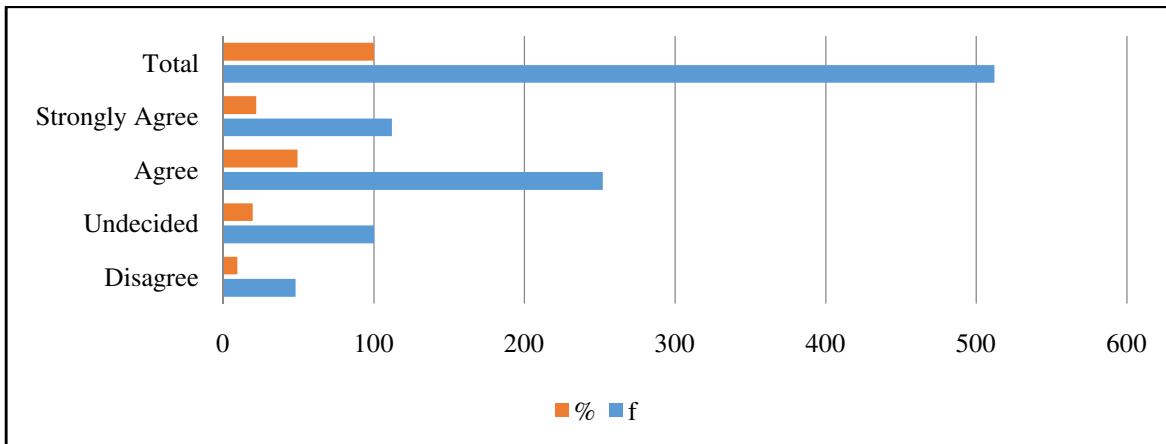


Figure 6: The work schedule is very stressful.

- Interpretation: 50% of the respondents agreed that the work schedule was stressful, followed by 22% who strongly agreed to it.

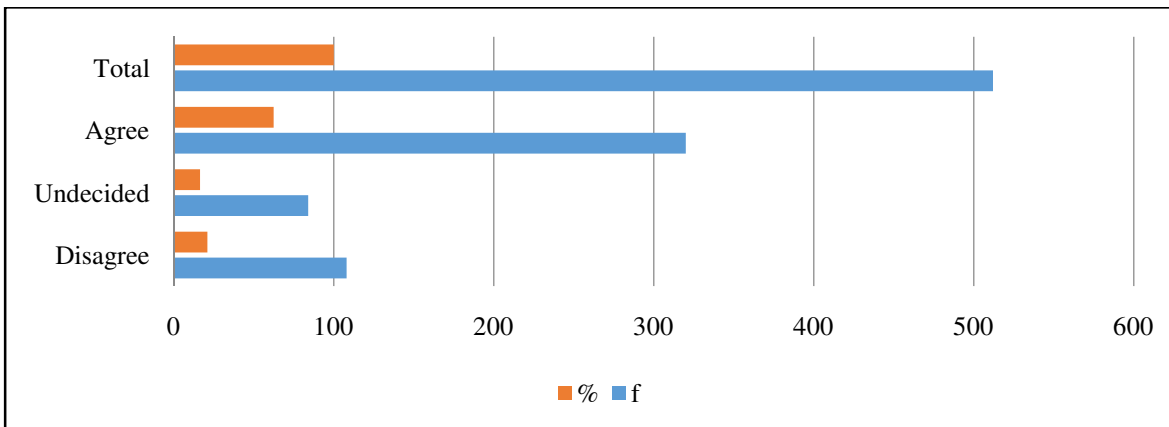


Figure 7: There are not enough opportunities for growth.

- Interpretation: 62.5% respondents agreed that there were not enough opportunities for growth.

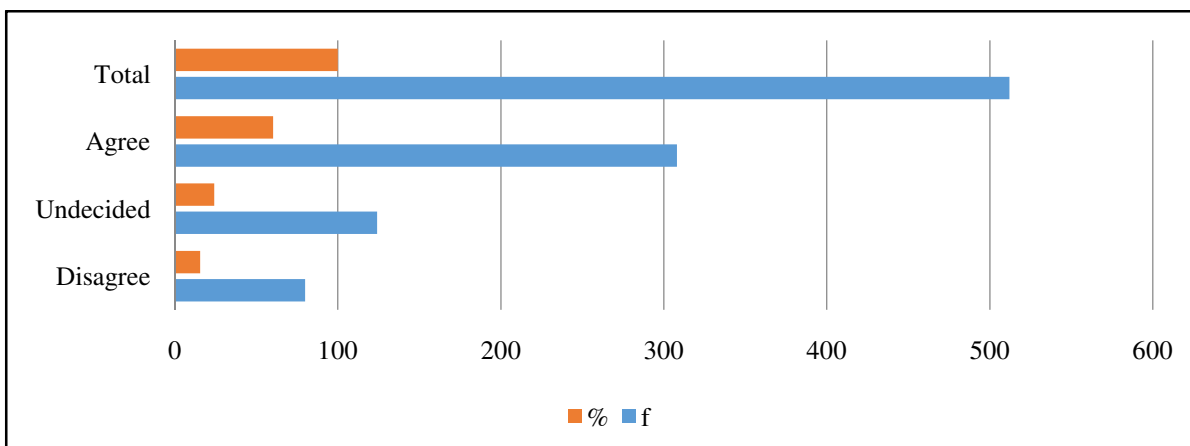


Figure 8: Employees are under continuous pressure for quality of service.

- Interpretation: 60% of the respondent agreed that they are under continuous pressure for quality of service, followed by 24.2% who were undecided.

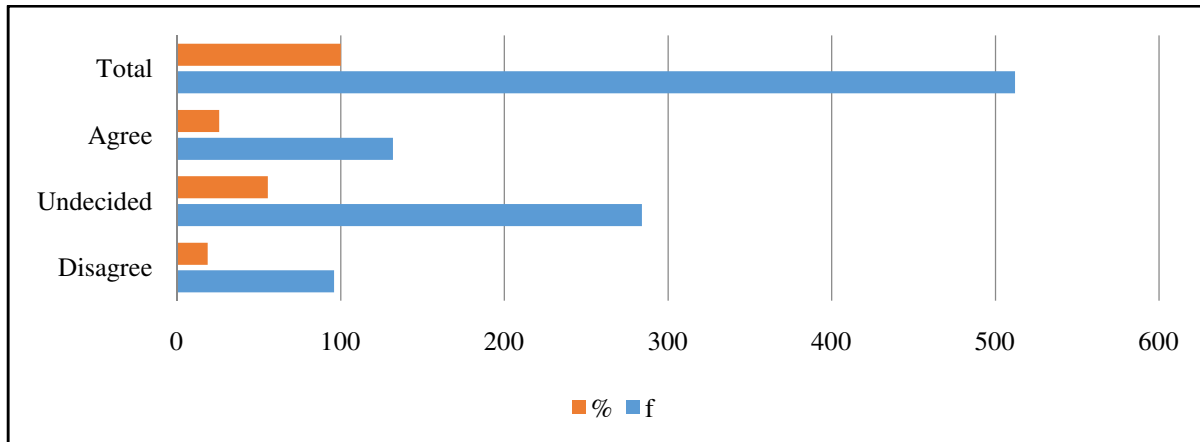


Figure 9: Targets are unrealistic

- Interpretation: 55.5% were undecided as to the targets to be achieved were unrealistic.

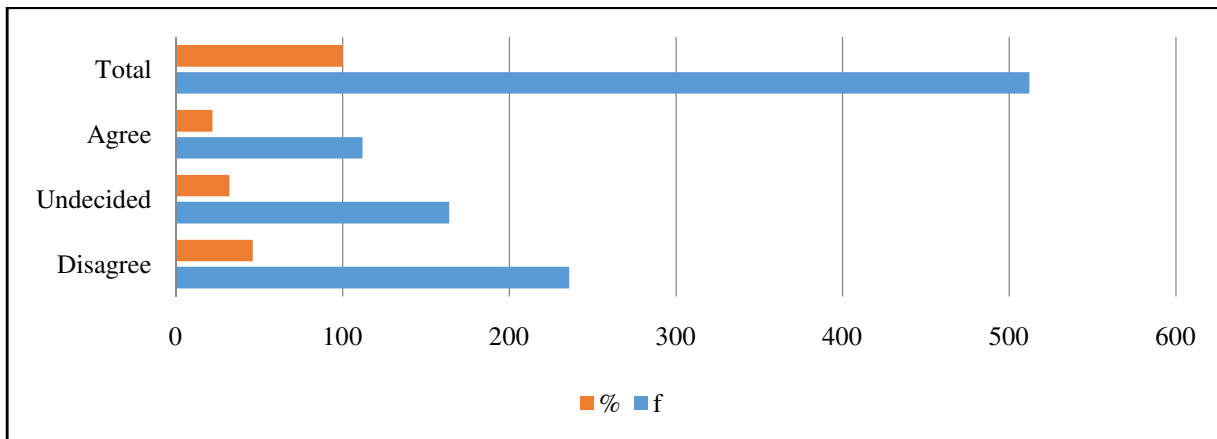


Figure 10: Enough respect and recognition is not given to the employees.

- Interpretation: 46.1% disagreed that they were not given enough respect and recognition, followed by 32% respondents who were undecided.

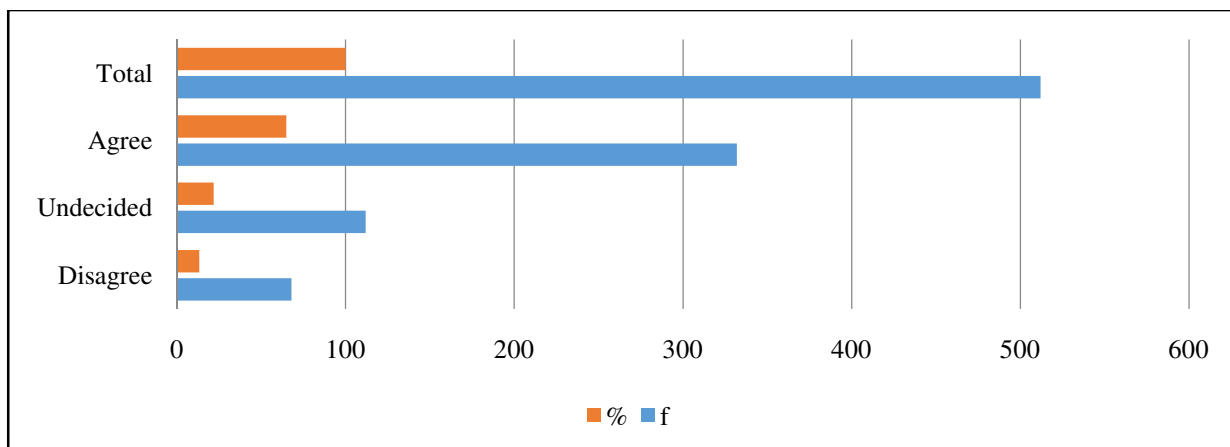


Figure 11: It is not considered to be a lifelong career.

- Interpretation: 64.8% agreed that the present job is not being considered as a lifelong career.

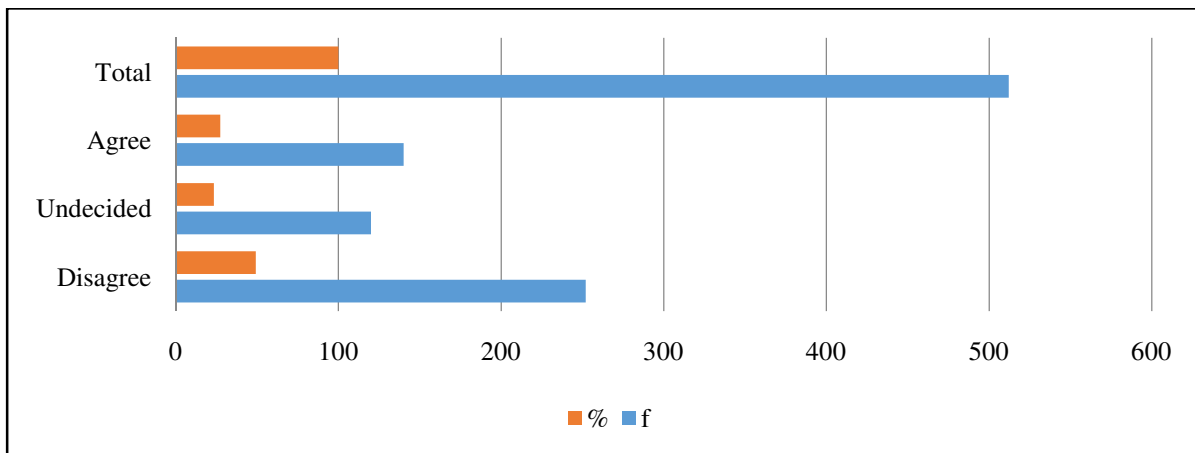


Figure 12: Employees are not able to manage the work life balance on their job.

- Interpretation: 49.2% of employees disagreed that they were not able to manage the work life balance on their job, followed by 27.3% who agreed with it.

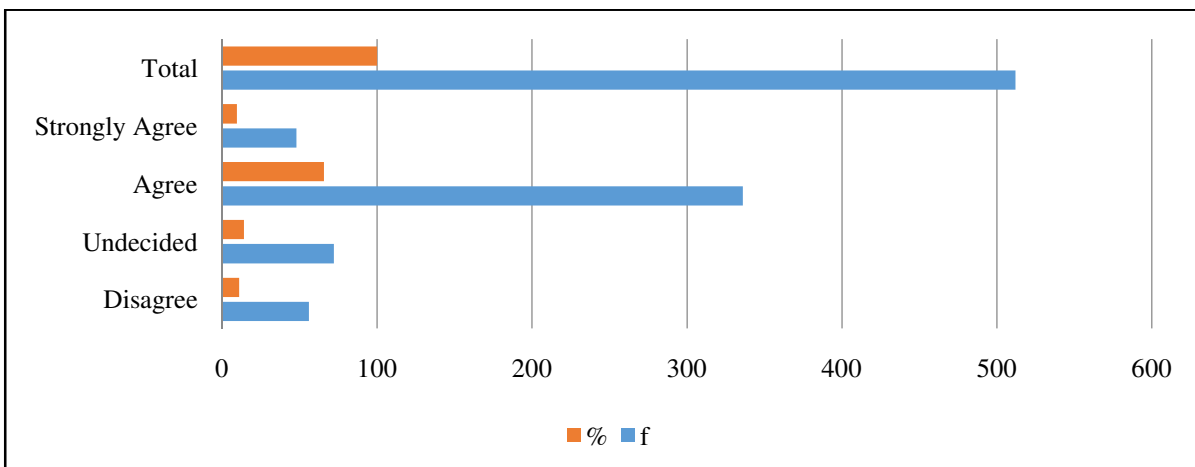


Figure 13: The compensation package is not satisfying

- Interpretation: 65.6% agreed that the compensation package is not satisfying.

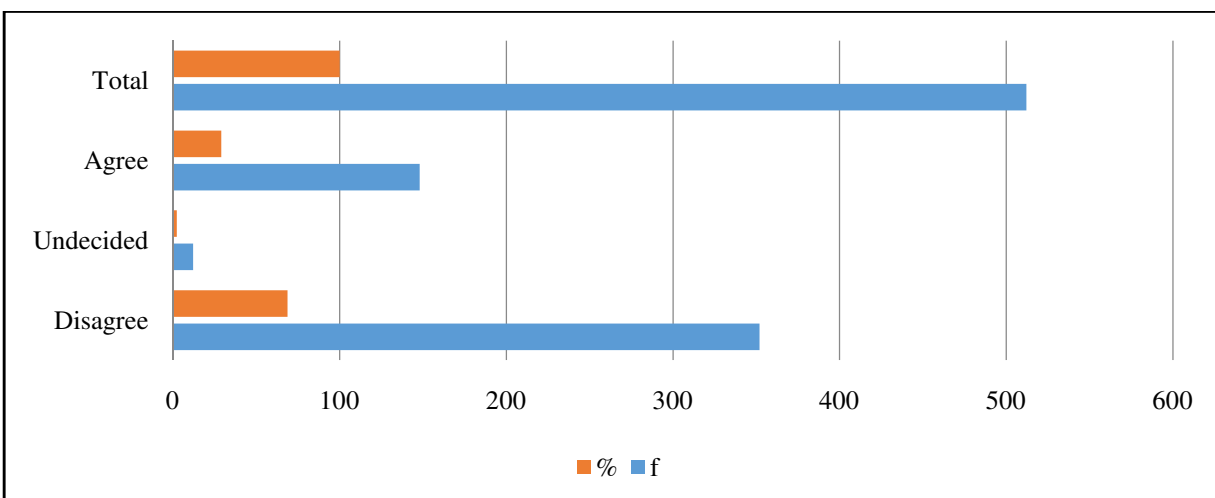


Figure 14: Employees don't feel motivated on the job.

- Interpretation: 68.8% employees disagree that they don't feel motivated on the job.

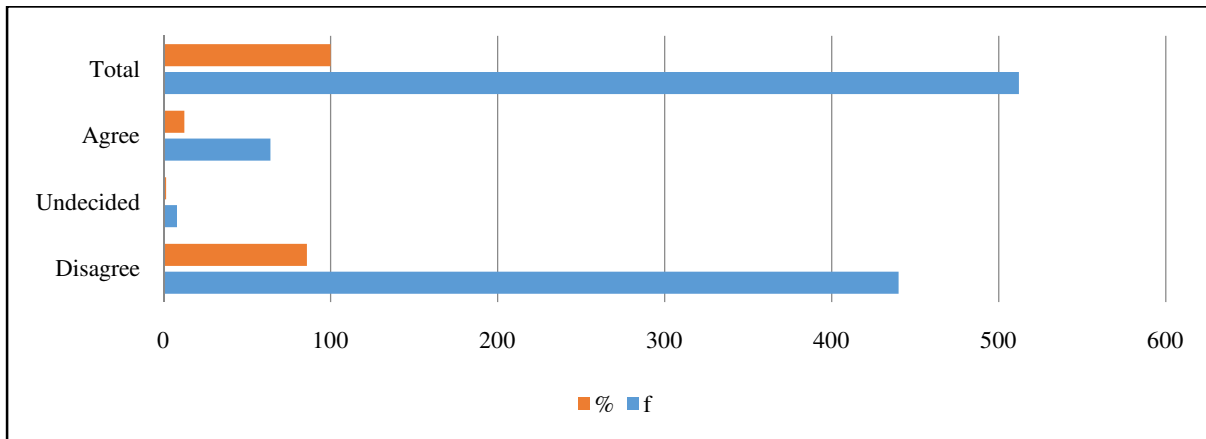


Figure 15: There are not enough training efforts made by the firm.

➤ Interpretation: 85.9% disagree that there are not enough training efforts made by the firm.

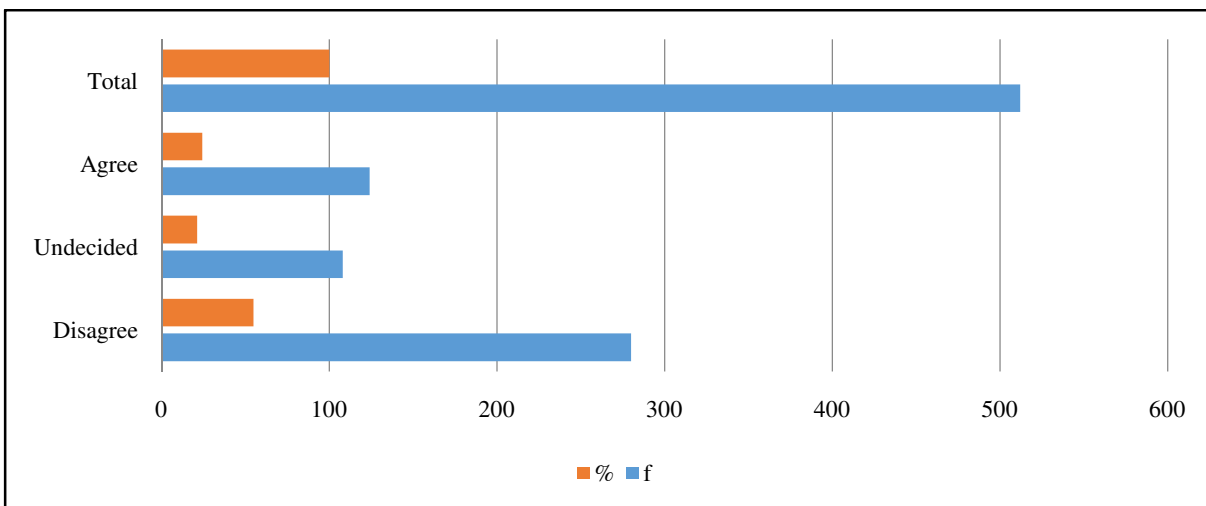


Figure 16: The supervisors are not supportive.

➤ Interpretation: 54.7% of the employees disagree that the supervisors are not supportive.

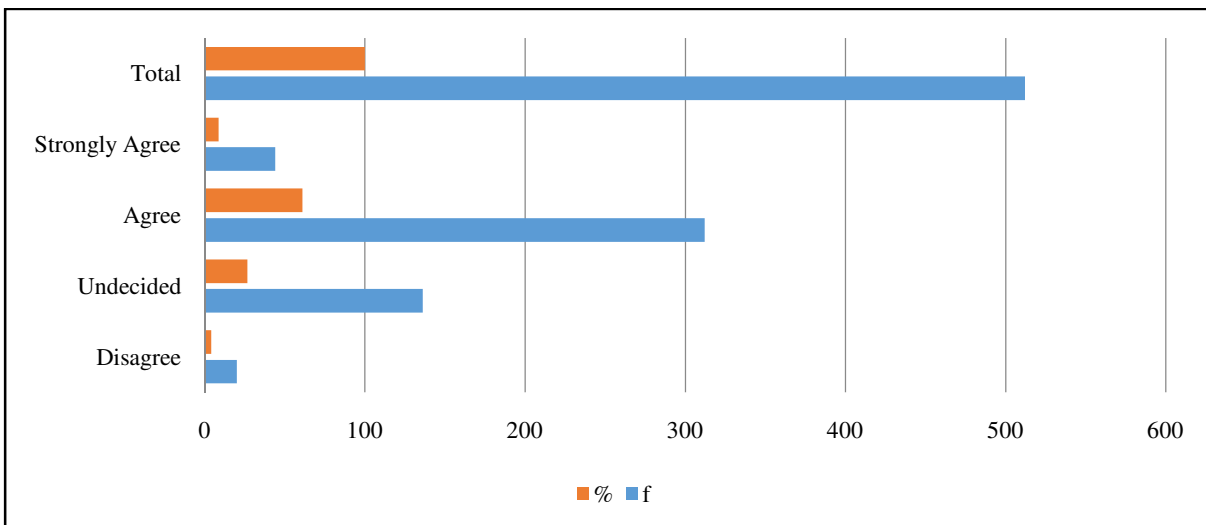


Figure 17: Will you leave the present job, if better monetary offer comes on your way?

➤ Interpretation: 60.9% of respondents agreed that they would leave the present job, if better monetary offer comes on your way?

5.1. Inferential Analysis

- H0 - Gender plays an insignificant role in employee’s duration of association (retention) with the organization.
- H1 - Gender plays a significant role in employee’s duration of association (retention) with the organization.

Males (3.12) have higher duration of association with the organization than their female (1.88) counterparts. The hypothesis that gender plays a significant role in employee’s duration of association with the organization is accepted with t-value of 16.29 and significance of 0.00. The results are given in table 4

Mean				t-test		
Gender	N	Mean	SD	df	t	P
Female	132	1.88	0.59	510	16.29	0.00**
Male	380	3.12	1.08			

Table 4: Gender & Employee Association ** Significant at 0.01 level

- H0 –Age plays an insignificant role in employee’s duration of association (retention) with the organization.
- H1 –Age plays a significant role in employee’s duration of association (retention) with the organization.

Age plays a significant role in employees’ association and longevity in the organization. Higher the age, greater is the possibility of association of the employee with the organization. The above hypothesis is accepted with F value of 1348.6 and significance of 0.00. The results are given in table 5

Mean				ANOVA		
Age	N	Mean	SD	df	F	Sig,
21 – 25 years	296	1.92	0.59	509	1348.6	0.00**
26 – 30 years	116	3.98	0.07			
31 – 35 years	100	4.12	0.02			
Total	512	2.80	1.12			

** Significant at 0.01 level

Table 5: Age & Employee Association

- H0 - Marital Status plays an insignificant role in employee’s duration of association with the organization.
- H1 –Marital Status plays a significant role in employee’s duration of association with the organization.

Married employees (3.96) have higher duration of association with the organization than single status employees (2.08). The hypothesis that marital status plays a significant role in employee’s duration of association with the organization is accepted with t-value of 38.43 and significance of 0.00. The results are given in table 6

Mean				t-test		
Gender	N	Mean	SD	df	t	P
Single	316	2.08	0.79	510	38.43	0.00
Married	196	3.96	0.28			

Table 6: Gender & Employee Association ** Significant at 0.01 level

- H0 – Demographic variables does not have any influence on employee’s duration of association with the organization.
- H1–Demographic variables have major influence on employee’s duration of association with the organization.

Degree of employees’ duration of association in the organization is regressed for demographic variables. These explanatory variables include gender, age and marital status. The results are given in table 7.

Demographic Factors (Independent Variable)	Employee Association with the Organization (Dependent Variable)	
	SC	t-value
(Constant)		5.169
Gender	- 0.079	-3.202 ^a
Age	0.490	13.216 ^a
Marital Status	0.384	10.334 ^a
Adjusted R ² = 0.367, F= 544.132 (df = 508, p=0.000)		

Table 7: Regression Results for Demographic Variables & Employee Retention ^ap<0.01 (SC = Standardized Coefficient)

The regression model is meaningful since it has significant F statistic. Among the explanatory variables, Age ($p < 0.01$), Marital Status ($p < 0.01$) and Gender ($p < 0.01$) are statistically significant.

6. Conclusions

Looking at the current scenario in the BPO industry, companies have realized that there is an immense need to encourage career development and learning among employees. Experts say it is important for the sector to develop guidelines to restrict frequent job switches and policy-level initiatives to uplift and expand the skill base. Employees need to be motivated and maintained as they are the backbone of any business success. Administration should persuade job redesign-task autonomy, task implication and task individuality, empowerment of employees, scientific process of recruitment and selection with the objective of retaining employees. Griffeth et al. (2000) distinguished that pay and pay-related variables have a great consequence on employee turnover. Employees must be compensated adequately, pay according to their performance, incentives should also be given like individual bonus, lump sum bonus, sharing of profits and other benefits. Hence, if these are put in place they would minimize employee turnover.

7. Limitation of the study

No study is free from limitations, which are caused by constraints of time, money, knowledge base and similar factors. An attempt was made to broad base the study as far as possible; however it is but natural that this study also suffers from some limitations, which are: Time is also limited and acts as major constraint of the study; The sample size is small as bigger sample size will give a clear picture of the recruitment policies used; Some information is kept confidential and not disclosed to anyone outside the organization and The companies selected for data collection may not depict the actual picture of whole industry.

8. Recommendations

Number of ideas we should consider for retaining good people

- Recognizing the importance of listening to the voice of the Customer - The Employees
- Organizational culture
- An effective selection process
- Ensure to offer competitive compensation and the staff members must feel satisfied, and respected
- Employee should know clearly what is expected from them every day at work
- Employee recognition rocks
- Talent and skill utilization must be encouraged in the workplace
- Fair and just behavior is also important in employee retention

The study also recommends the organization should focus on effectiveness of retention strategies and competitiveness of reward programs, exit interviews should be conducted regularly to get insights of why the employees are leaving, compensation structure should be modified and other benefits should be given to employees to reduce the turnover and to improve staff retention.

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