Research Article

EMPLOYEE ATTRITION: A MAJOR THREAT TO INDIAN BPO INDUSTRIES

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INTRODUCTION

Voluntary turnover has become a problem for many organizations, regardless of the nature of job, in today's society. The costs of this turnover not only have an impact on organizations but also would affect the morale. Prior research has examined the costs of an employee's decision to voluntarily leave an organization. There have been a plethora of research studies conducted over the past 40 years by both academicians and practitioners on the causes and consequences of voluntary turnover.

In the BPO sector, however voluntary turnover is reaching alarming proportions. It becomes very important to study this questionable nature of large-scale attrition, as India houses a large no Of BPOs. An attempt has been made in this research to investigate on the employee turnover of BPO sector in India. Analysts believe that India remains a vital destination for outsourcing and expect its annual GDP to grow at 8-10% for the next decade. In addition, outsourcing efforts to India are held up as an effective remedy for concerns about both Chinese government policy and labour force issues, such as increasing costs and shortages.

LITERATURE REVIEW

In the year 2006, ArunaRanganathan Cornell University, USA and SaroshKuruvilla Cornell University, USA has done a detailed study on the factors the problem of high turnover in the high-tech BPO sector in India, where relatively well-educated employees are performing a variety of primarily low skill, low cost jobs. We highlight the various approaches employers are taking to solve the turnover problem. As we will argue, some of these strategies are fairly traditional, focusing on various instrumental incentives to promote employee retention, while some others are new and rather radical, particularly the articulation of an organizational and work culture tailor-made for the particular demographic profile of BPO employees: young, upper middle class, well-educated graduates. Based on anecdotal evidence and interviews with industry personnel. (a) the recent and rapid growth of the industry and the fact that firms are experimenting with a whole variety of retention strategies, and (b) the inability of firms to develop an integrated organizational culture that permits a focus on both longer term organizational performance ,as well as retention.

In the year 2008, S Sudha, has done a detailed study on the factors involving the attrition in BPO industry in India. According to her findings, among the listed problems one of the major hurdles the industry is facing is attrition. The companies are finding it very hard to retain their employees. The organization should have constant touch with its employees to know their satisfaction and dissatisfaction.

In the year, 2012 K R SreeRekha, under the guidance of Dr. T.J.kamalanabhan has done a detailed study on the factors involving employee attrition in BPO in India. According to their findings from the research it was found that In India over the past few years, the ITES/BPO sector has been growing in leaps and bounds. Based on the gaps identified from the literature, the study seeks to examine the influence of the intervening variables such as organizational commitment on turnover intentions of employees .Applying mediation multiple regression technique, an empirical examination was conducted. The results based on 208 employees' responses from 5 organizations, indicated that antecedents of turnover in the conceptual model of the present study were significantly associated with employee turnover intention mediated by organizational commitment. Results of the mediated regression analyses found that organizational commitment is a significant mediator between organizational justice, satisfaction and organizational support viz a viz turnover intentions. The findings suggest that organizations need to focus on how to foster commitment, enhance job satisfaction and to provide support to facilitate employee retention. Finally, the implications for organizational research, managerial practice and the need for future research are discussed.

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Objectives of the Study

The objective of the study includes:

1. To examine the cause of the high attrition rate among officers/agents in BPO sector.
2. To analyze factors affecting Attrition in BPO sector.
3. To know the major recommendations to management about how to reduce this high attrition rate and prioritizing these recommendations to maximize monetary and personnel resources.

METHODOLOGY

The research is **exploratory** research regarding measurement of attrition control system in case of IT and Business Processing Outsourcing sectors. This study was designed with a mixed methods approach to optimize the understanding of attrition in "TWO" PHASES:

1. Interviewing the ex-employees (within past one year)
2. Surveying the existing Agents with less than 1 year job duration

In order to meet the objectives of the study, primary data is collected using the questionnaire method. The questionnaire which consisted of two parts: Part - I consisted of the questions related Demographics and awareness about Attrition. Parts II of the questionnaire consisted of 35 variables which are directly related to factor affecting Attrition. These have been measured with 5 pointer Likert scale. The sample size taken for the study constituted of 200 respondents. Convenience sampling technique has been used for data collection wherein the sample is chosen from the population in random proportion of the various age groups present in the population. The data is collected from 200 respondents. Out of 200 the response rate was 92 %. The incomplete/inappropriate responses are rejected to get higher precision value in results. After collection of the data, the reliability of the research instrument is tested by using Cronbach's alpha and factor analysis, are applied using SPSS 20 version in order to achieve the objectives of the study.

Initially, personal interviews with the selected candidates were conducted to understand their feelings, problems & experiences with the job. **Based on the feedback from the above personal interview, a small "4 POINTS"- Questionnaire was set,** which included the most important factors identified. The following most important factors were identified during the qualitative findings in the personal interview and we operationalized each factors by 5-point Likert scale (where, 1 = strongly disagree, and 5 = strongly agree), in the Questionnaire:

1. Better Remuneration & Career Prospects
2. Perceptions of training & resources
3. Shift Timings & Week-offs
4. Organizational culture.

The quantitative model tested in this study was developed from findings in the literature and factors derived from the qualitative findings. A Questionnaire was self designed and structured containing two sections. The Data gathered from the Questionnaire was then entered into MS Excel and SPSS version 20. Factor Analysis was conducted to understand the importance of Individual factors. Each Factor was assigned a weightage and the final score (ratings) was converted into Percentage.

- **Factor A - Better Remuneration & Career Prospects,** was assigned 20% weightage.
- **Factor B - Perceptions of training & resources** was assigned 20% weightage.
- **Factor C - Shift Timings & Week-offs** was also assigned 20% weightage.
- **Factor D - Organizational culture** was assigned the remaining 40% weightage.

Factor A - Better Remuneration & Career Prospects

It was seen that **35%** employees **strongly disagree** & **34%** employees **disagree** that - "Remuneration & Career Prospects provided by my Organization is as per the industry standards". **18%** employees were **neutral** on this point. Better Remuneration & Career Prospects was one of the most important concerns as voiced by the ex-employees & present employees in the Interviews. It clearly shows that HR should restructure the Remuneration & Career Prospect policies.

Factor A :Better Remuneration & Career Prospects (Number of Employees along with percentage on the Likert Scale Ratings)				
SA	**A**	**N**	**D**	**SD**
3 (2%)	17 (9%)	37 (18%)	69 (34%)	71 (35%)

Factor B - Perceptions of Training & Resources

It was noted that **17%** employees **strongly disagree** & **30%** employees d**isagree** that - "I received appropriate training on joining the department to enable me to do my job. I am provided with all the resources needed to be successful in my job". **15%** employees were **neutral** on this point. Dissatisfaction with the training program was one of the common problems as discussed in the Interviews; therefore, HR should also plan on redesigning the Training program.

FACTOR B - Perceptions of training & resources (Number of Employees along with percentage on the Likert Scale Ratings)				
SA	**A**	**N**	**D**	**SD**
29 (15%)	44 (21%)	30 (15%)	61 (30%)	33 (17%)

Factor C - Shift Timings & Week-offs

It was noted that only **9%** employees **strongly disagree** & **18%** employees **disagree** that - "I have adjusted with my rotating shift timings & week-offs, and understand that this is as per the demand of the industry". **15%** employees were **neutral** on this point. Though it takes toll on the health front & also disturbs the daily routine/life style of an individual, however, adjusting to the rotating shift timings & changing weekly-offs is a pre-requisite to the IT/BPO industry.

FACTOR C - Shift Timings & Week-offs (Number of Employees along with percentage on the Likert Scale Ratings)				
SA	**A**	**N**	**D**	**SD**
67 (33%)	47 (23%)	30 (15%)	35 (18%)	18(9%)

It is not only informed/explained before joining, but this is a well known fact & one of the reasons of such high packages offered in this sector. Thus, much cannot be expected on this from HR, however, a better & bit-flexible schedule may be considered/drafted.

Factor D - Organization Culture

Sub Factor 1 - Growth opportunities: It was noted that **49%** employees **strongly disagree** & **31%** employees **disagree** that

- "My Organization promotes my professional growth and development". **11%** employees were **neutral** on this point.

On the other hand **32%** employees **strongly disagree** & **35%** employees **disagree** that "I am able to use my real talents at work on a daily basis". **23%** employees were **neutral** on this point. Also, **13%** employees **strongly disagree** & **26%** employees **disagree** that - "I am working at my full potential". **35%** employees were **neutral** on this point.

FACTOR D - Organizational culture *Sub-Factor 1: Growth Opportunities - Promotes Professional Growth* *(Number of Employees along with percentage on the Likert Scale Ratings)*				
SA	**A**	**N**	**D**	**SD**
3 (2%)	10 (5%)	21 (11%)	64 (31%)	99 (49%)

The above figure highlights that most of the employees are unsatisfied with the Growth Opportunities provided by the Organization.

FACTOR D - Organizational culture *Sub-Factor 1: Growth Opportunities - Working at Full Potential* *(Number of Employees along with percentage on the Likert Scale Ratings)*				
SA	**A**	**N**	**D**	**SD**
16 (8%)	31 (16%)	71 (35%)	54 (26%)	26 (13%)

It was noted that **28%** employees **strongly disagree** & **44%** employees **disagree** that - "I am recognized for a job well-done". **15%** employees were **neutral** on this point.

On the other hand, as high as **63%** employees **strongly disagree** & **30%** employees **disagree** that "My ideas are valued while I was at work". **2%** employees were **neutral** on this point.

FACTOR D - Organizational culture Sub-Factor 1: Growth Opportunities- Able to use Talent (Number of Employees along with percentage on the Likert Scale Ratings)				
SA	**A**	**N**	**D**	**SD**
5 (3%)	9 (5%)	46 (23%)	71 (35%)	66 (32%)

FACTOR D - Organizational culture *Sub-Factor 1: Growth Opportunities- Working at Full Potential* *(Number of Employees along with percentage on the Likert Scale Ratings)*				
SA	**A**	**N**	**D**	**SD**
16 (8%)	31 (16%)	71 (35%)	54 (26%)	25 (13%)

Better Remuneration & Career Prospects is having highest factor loading that means salary is the prime important factor for any organization. It means if organization will conduct time to time appraisal program that would be helpful for further development.

Next prime important factor is Organizational culture , that will always having importance for workers associated with the organization that means if culture or working environment would be good organization will grown up easily and attrition will be in controlled.

Factor Perceptions of training & resources will says that time to time training should be organized in the organized in organization for betterment of it's employees , once employee having the good knowledge than they are always perform better and somehow with this kind of activity they may able to get good appraisal and don't want to live the organization. Shift Timings & Week-offs, off-course this factor is important but it can be manage easily.

CONCLUSION

By tapping into the voices of those who have left MSource BPO on the one hand, and feedback from the present employees on the other hand, this research begins to illuminate what organizational conditions obstruct the retention of workers. The findings imply that employees need manageable workloads, support and recognition from their co-workers and management, and opportunities for growth and innovation.

Many of the organizational issues identified in the interviews appear, at least on the surface, to be structural or technical problems to be corrected or adjusted by the organization's administration. Problems with high quality pertinent training, adequate staffing, and sufficient resources to succeed at one's job are consistent with previous findings in human service organizations (Light, 2003).

However, this study highlights how — softer factors related to organizational culture, inconsistent shift timings and motivational factors are impacting employee attrition.

Such conventional culture now requires a change approach in this sector. Issues that can be rectified only with changes in workflow patterns, more efficient tracking systems, better training procedures, or more selective hiring practices (as supported by our findings).

Therefore, working collaboratively with staff in BPOs to identify and define targets for OC change would increase the voice and agency of staff. Organizational culture change is an expensive endeavor; however, high turnover and poor performance is likely to cost these organizations more over time, especially as performance measures become harder to meet.

Based upon the distribution of ages, Educational Status & Marital Status in the sample, it is important to note that approximately 30% of these staff may leave the Organization due to Further Studies & existing Educational commitments, within next 1 year. Prioritizing ways to retain new staff will become increasingly important to assure that the organization does not lose more of its human capital and with it, its ability to serve those in need.

Although this could be conceptualized as a — crisis, it could also be conceptualized as an opportunity to shift the preexisting OC away from one of regulation towards one of innovation. This shift may facilitate BPOs taking advantage of their new-found discretion to not only improve client outcomes but to also meet performance outcomes. This study documents that frontline staff want to be supported in pursuing such a shift.

A BPO company operates 24 hours a day and 365 days a year. Graveyard shifts and odd hours which suit the foreign clients create lot of problems to the employees. Symptoms of Insomnia and even depressionare caused due to change of 24-hour biological rhythm of the body, and also loss of (employee's personal life hence. The employee of BPO sectors has undergone with stressful life which can be reduce. This paper focus on the remuneration paid by the BPO sector and they are unsatisfying with the interpersonal relationship

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