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**CHALLENGES FOR HR MANAGERS TO RETAIN THE EMPLOYEES WORKING IN BPO INDUSTRY**

**Meenakshi Chanana**

**Assistant Professor, MAIMT,**

**JAGADHRI**

**ABSTRACT:**

The growth and success of any organization depends on its employees. Attracting the talented employees is not a problem with IT Industry but to retain employees is the biggest challenge. The most critical and delicate situation is to withhold the best talent in the organization. Many reputed employers in the industry have undergone this crunch of talent retention. Employee turnover is the never ending problem faced by the Indian IT industry due to less compensation and less career growth, dissatisfaction with the work environment or with the superiors, less onsite opportunities and misbalance between personal and professional life. Indian IT professionals are in great demand in India as well as in abroad. The study focuses on employee retention, various factors that affect employee retention and different employee retention strategies adopted by the IT industry.

**KEYWORDS:** HR Challenges, Retention, Personal Factors, Work Stress



Information Technology (IT) is defined as the design, development, implementation and management of computer based information systems, particularly software applications computer hardware. Today, it has grown to cover most aspects of computing and technology. The Indian IT sector plays a very important role in India's economic growth. IT Industry in India is viewed as growth engine of Indian economy, contributing in increase of Gross Domestic Product (GDP), urban employment and exports. India's IT Industry accounts nearly 6.4% of GDP. Over last 10 years the IT Industry has grown at an annual rate of 30 percent. In India IT companies are concentrated in certain places like Bangalore, Cochin, Chandigarh, Chennai, Delhi, Gurgaon, Hyderabad, Calcutta, Mysore, Mumbai, Noida and Pune.

Business Process Outsourcing (BPO) is defined as the delegation of one or more IT-sensitive business processes to an external provider that in turn owns administers and manages the selected process based on defined and measurable performance criteria. Big companies regularly outsource their non-critical work to an outside entity, which does the work based on certain preset criteria. Business process outsourcing (BPO) is as an act of delegation of certain Information Technology (IT)-intensive business processes from inside an organization to an outside or external service provider that in turn owns, administers and manages the process based on defined and measurable performance criteria. The young and energetic people have been joined in this industry and providing services. It is a tough task for the hr manager to motivate and retain the staff as there are plethora of opportunities are available for the manpower outside in this industry. He has to find right kind of people and need to maintain a fine balance between demand and supply. Due to the number of opportunities availability in this industry, there is a high attrition rate in this industry approximately 25-30 percent at present. So it can be topic of concern to address this challenge as the industry tends to grow in the coming decade.

With the global telecommunications infrastructure now well established and consistently reliable, BPO lets companies take full advantage of the globalization by exporting certain outside providers who can do it cheaper, faster, or better. Employee retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. The corporate is facing a lot of problem in employee retention on these days. Hiring knowledgeable people for the job is essential for an employer. But retention is even more important than hiring. There is no dearth of opportunities for talented persons. There are many organizations which are looking for such employees. If a person is not satisfied by the job he's doing, he may switch over to some other more suitable jobs. In today's environment it becomes very important for organizations to retain their employees.

## **REVIEW OF LITERATURE:**

**Natalie Govaerts et al** (2011) suggested that if an organization wants to retain its employees then it has to pay special attention towards learning of employees. If organization encouraged learning then it will help in employee retention. The age is very important factor of employee retention.

**Scott L. Boyar et al** (2012) identified six reasons that help in explain why individuals leaving their jobs. These factors are family situations, travel distance, job-content, work related stress, relationship with friends and managerial support. It was found that employees who have less financial obligations are more likely to leave the organization.

**Minu Zachariah and Dr. Roopa T.N** (2012) indicated that there are personal reasons for leaving the organization; Organizational factors that influence employee to stay back in the current organization, personal factors that influence employees to stay back in the current organization, attitude of employees towards work and work relationship and expectation of IT professional from organization.

**Chandranshu Sinha** (2012) identified that skill recognition is a very effective retention strategy at any age. Employees can be retained in an organization by providing them good compensation structure. Other retention strategies are providing employee with supportive and learning environment, Flexi timing, training and development opportunities are very important retention strategies for retaining the employees.

**Leena James and Lissy Mathew** (2012) identified some important retention strategies. They include rewards and recognition, training and development opportunities, mentoring and coaching sessions, career planning, flexi work timing, annual performance appraisal, on site and day care facilities. At graduate level flexible work timing is very important retention strategy. Rewards and recognition is very important for retaining the employees. Best way to enhance the employee retention is to understand what employees want from organization.

**K.R. Sree Rekha and Dr.T.J.Kamalanabhan** (2012) identified that turnover intentions have two dimensions one at individual level and other at organizational level. At organization level organizational support and organizational justice affect the turnover intentions of an employee and at individual level job satisfaction, alternative job opportunity and organizational commitment are important factors for quitting job.

**N.Suhasini and T.NareshBabu** (2013) identified that employee leave the organization due to dissatisfaction with organizational culture, compensation, lack of motivation and challenging work environment but if the employees are provided with better career development opportunities,

environment of openness and trust, effective utilization of employee's skills and management policies regarding rewards and recognition then employee retention can be encouraged.

**Waleed Hassan et al** (2013) identified that job training plays very important role in employee retention. The type of training and duration of training is very important. Rewards and supervisory support is very important for retaining the employees.

**Roshidi Hassan** (2014) identified that there are various factors that affect the turnover intentions of employees. These factors include organizational commitment, job stress, job characteristics, promotion opportunities, pay level and rewards, quality of work-life and job satisfaction. Job stress is the most significant factor influencing turnover intentions.

#### **OBJECTIVES OF THE STUDY:**

- To identify the factors of employee attrition in BPO Industry
- To establish a relationship between the various personal factors and attrition
- To suggest suitable ways to HR professionals to lower the employee attrition and motivate employees

#### **RESEARCH METHODOLOGY:**

The present study is based on the primary data collected through furnishing the questionnaire to the employees working in BPO organizations located in Chandigarh. The BPO organizations include domestic BPO organizations and Multinational BPO organizations. The Random sampling techniques is administered for the purpose of the study. The questionnaire is administered to the 100 employees working in domestic and multinational BPO organizations located in Chandigarh.

#### **ANALYSIS & INTERPRETATION:**

The data collected through questionnaire has been analyzed and interpreted using a tabulation method. The study found the factors that cause the employees leaving their present organizations. In the following tables depicts the various factors cause attrition among the employees working in BPO industry.

**Table No 1: WORKING ENVIRONMENT OF THE ORGANISATION**

S. No	Opinion	Number	Percent (%)
1	Participative	12	15
2	Democratic	16	20
3	Paternalistic	20	25
4	Authoritative	32	40
<b>Total</b>		<b>80</b>	<b>100</b>

When asked to employees the working environment of their organization majority of respondents 40% said Authoritative and 15%, 20 %, 25 % said Participative, Democratic and Paternalistic consequently.

**Table No 2: BETTER CAREER OPPORTUNITIES OUTSIDE**

S. No	Opinion	Number	Percent (%)
1	Yes	57	71.25
2	No	23	28.75
<b>Total</b>		<b>80</b>	<b>100</b>

71 % Respondents felt that there are better career opportunities outside and they leave their present organization. 29 % of respondents responded negatively and stated this is not one of the causes of attrition.

**Table No 3: UNFRIENDLY WORKING CONDITIONS**

S. No	Opinion	Number	Percent (%)
1	Yes	38	47.50
2	No	42	52.50
<b>Total</b>		<b>80</b>	<b>100</b>

When it was asked that the unfriendly working conditions induce them to leave their place of work the 53% of respondents of responded negatively while 48 % respondents said that the organizations are having unfriendly working conditions.

**Table No 4: LATE NIGHT SHIFTS**

S. No	Opinion	Number	Percent (%)
1	Strongly Agree	42	52.50
2	Agree	16	20
3	Disagree	10	12.50
4	Strongly Agree	12	15
<b>Total</b>		<b>80</b>	<b>100</b>

The above table expresses the respondent's opinion about late night shifts. 52 % of respondents strongly agreed that late night shifts is one of the major factors of attrition, whereas 20 %, 13 %, 15 % of respondent said Agree, Disagree and strongly disagree respectively.

**Table No 5: HIGH AMOUNT OF WORK STRESS**

S. No	Opinion	Number	Percent (%)
1	Strongly Agree	54	67.50
2	Agree	14	17.50
3	Disagree	8	10
4	Strongly Agree	4	5
<b>Total</b>		<b>80</b>	<b>100</b>

The above table states that 67 % of respondents strongly agreed with the statement that the quantum of stress involved in their work is the reason of attrition as 18% respondents also agree, but 15% respondents stick themselves with opinions of Disagreement.

**Table No 6: LACK OF TRAINING AND DEVELOPMENTAL OPPORTUNITIES**

S. No	Opinion	Number	Percent (%)
1	Strongly Agree	35	43.75
2	Agree	18	22.5
3	Disagree	15	18.75
4	Strongly Agree	12	15
<b>Total</b>		<b>80</b>	<b>100</b>

The above table expresses the respondent's opinion about training and developmental opportunities provided by their organization. Majority of the respondents 44 % were strongly agree while the 22 % respondents were agree and 18 % respondents were disagree and 15 % of respondents were Strongly Disagree on the above said statement.

The researchers also tried to explore the relationship between various personal factors and ever increasing attrition rate among the employees working in BPO industry. The study identified demographic factors and focused on assessing the impact of these demographic factors impact. The relationship between demographic factors of respondents and attrition is discussed below.

**MARRIAGE AND ATTRITION:**

The researchers attempted sincerely to identify reason to ever increasing rate of attrition due to the marriage. The data collected is presented in the following table.

**Table No 7: MARRIAGE IS THE REASON FOR ATTIRTION**

S.No	Opinion	Men		Women		Percent (%)			
		Married	Single	Married	Single	Men	Men	Women	Women
						Married	Unmarried	Married	Unmarried
1	Strongly Agree	18	8	8	7	40	17.78	22.85	20
2	Agree	2	4	5	2	4.44	8.88	14.28	5.71
3	Disagree	3	6	4	5	6.67	13.34	11.42	14.28
4	Strongly Disagree	2	2	1	3	4.45	4.44	2.85	8.61
		45		35		100			

The above table states that the respondents with different marital status expressed their opinion about the marriage can cause attrition among employees. The study include out of total 80 respondents 45 male respondents and 35 female respondents. From the above data it is revealed that 40 % Married Men and 23 % married women and 18 % unmarried men and 20 % unmarried women were strongly agree with the said statement, while 4 % married men, 14 % married women and 9 % unmarried men and 6% unmarried women were strongly disagree and 13 % married men, 2.5 % married women and 10 % unmarried men and 2.5 % unmarried women were disagree and 8 % married men and 2.5 % married women and 2.5 % married women and 2.5 % unmarried women were strongly disagree with the statement.

**Table No 8: DOMESTIC RESPONSIBILITIES IS THE REASON FOR ATTIRTION**

S. No	Opinion	Number		Percent (%)	
		Men	Women	Men	Women
1	Strongly Agree	23	18	51.12	51.42
2	Agree	14	9	31.11	25.71
3	Disagree	6	5	13.33	14.28
4	Strongly Disagree	2	3	4.44	8.59
	Total	80		100	

On asking the employees about the domestic responsibilities is the cause of attrition 51 % Men and 52 % Women respondents strongly agreed and 31% Men and 26 % women agreed while 5 % men and 9 % women Strongly disagreed and 13 % Men and 14% women disagreed with the above statement.

**Table No 9: HIGHER EDUCATION IS THE REASON FOR ATTIRTION**

S. No	Opinion	Number	Percent (%)
1	Strongly Agree	48	60
2	Agree	14	17.50
3	Disagree	11	13.75
4	Strongly Agree	7	8.75
<b>Total</b>		<b>80</b>	<b>100</b>

On asking the employees about the higher education being the cause of attrition 60 % were strongly agreed while 17 %, 14%, 9 % responded were Agree, Disagree and Strongly disagree respectively.

**FINDINGS:**

- Respondents report that there are plenty of opportunities available outside to them and that induce them to leave the present organization now they are working with.
- The nature of job is tedious and very monotonous and does provide no scope to interact with other colleagues and peers and restricts them to have a break while from their work which in turn force them either leave the profession or abscond themselves from the work.
- It is found the job in the BPO industry demand high skill set and competencies and there is a mismatch between the training provided to the employees and suitable skill to perform the job.
- It is found that most of the respondents have been experiencing the high amount of stress in their work that causes them to lower their performance level, productivity and health.
- The respondents feel that organizations don't provide adequate leaves to the employees and it doesn't have any work life balance programs for the employees to maintain their work life and personal life.
- The research shows that most of the respondents are pursuing their higher education and join in this industry to support their immediate financial needs. The research also shows that most of the respondents view this sector as an immediate choice after their education and once they get a suitable job to their specifications they left the organizations.

The women respondents working in the industry feel that getting married can cause them to leave the present organization attributing various societal reasons like seeking acceptance of husband and in-laws, moving to husband's place.

- The study found that unusual shifts and odd shift timings discourages the employees to stay in this profession as their present organization is no having any suitable program.
- There are no clear cut performance standards and measures to attain by the employees.
- It is found that there is less transparency in the performance appraisal system and the performance feedback also not communicated to the employees to know the gap in their performance.



- Respondents feel that the salary packages one receive is the not main factor for the increasing rate of attrition as most of the respondents have been paying better salaries by their respective organizations.
- Most of the female respondents feel that the domestic responsibilities like taking care of parents, in laws and children causes them to leave the profession and join some other profession.

#### **CONCLUSION:**

The study conducted to identify the various factors that cause to increase the attrition among the employees working in BPO industry. The BPO industry becomes the continuously growing and ever changing industry and contributing major chunk to the India's GDP. It has been creating plenty of employment opportunities as India became a hub for outsourcing services for many nations. In this sector the rate of recruitment is high as rate of attritions is also compounding due to various factors. This definitely attracts the attention to identify the root causes of this problem. It is been significant to address all the factors identified and must address by the HR professionals to reduce the impact of attrition on the organization. Organizations spent huge amount of money to provide training and skill development program to their employees, it costs the double of the salaries they have been paid to their employees. It is also important to deal the factors of attrition to reduce the organization cost, to enhance the performance and productivity of the organization and to develop suitable ways to reduce the way of attrition.

#### **SUGGESTIONS:**

- Undertake review of existing policies and improve current practices on flexible work arrangements
- Provide possible work breaks and interval to the employees to get relief from their work.
- Open Communication always helps the organization, the employees' doubts with regard to performance standards and performance expectations must be communicated prior.
- Try to make the job more enriched so that employees can feel a sense of satisfaction and pride in their work.
- Loyalty can't be buying; companies can introduce loyalty programs to motivate their employees to stay back with their organization
- Build learning relationships in all directions and hold all participants responsible for their success.
- Select the candidates who fit the role and train them accordingly and make it as a continuous practice in the organizations, so that the employees never feel inferior to perform their role
- Strengthen Career development and Career progression programs in return it help the organization to retain their employees.

- Provide whole job experience to the employees to maintain their interest in their work and it motivates the employees to stay back with the organization.
- Recognize the employees. Appreciating the skill and performance acts as the energy booster to the employees and induces them to achieve higher performance standards
- Retention must be intertwined and blended in the organizational strategy formulation. Organizations must maintain a rewarding, encouraging a participative culture in the organization, this definitely pays off to the organizations with having loyal work force who are skilled, trained and motivated workforce.

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