A Study On Employee Attrition In Bpo Sector With Reference To Indian Economy

Dr.P.Shilpa Roy[1*], Dr. B.Shravani[2], Dr. Veena Rani K[3], Mrs.Mahalakshmi.S[4], Dr.M.S.Vijaya Rao[5]

[1*]Associate Professor, Department of Business Management, Basaveshwara Institute of Information Technology, Hyderabad
[2]Assistant Professor, Department of Business Management, A.V.College of Arts, Science and Commerce, Hyderabad.
[3] MBA, PhD, Assistant Professor, Department of Management studies, Visvesvaraya Technological University, Center for post graduate studies, Bengaluru Region, Muddenahalli, Chickbalapura Tq Dist- 562101.
[4]Assistant Professor, Department of Management Studies, Jeppiaar Institute of Technology, Kunnam, Sunguvarchatram, Sriperumbudur.
[5]Professor & HOD, Department of Management Studies, Jeppiaar Institute of Technology, Kunnam, Sunguvarchatram, Sriperumbudur.

ARTICLE INFO	ABSTRACT
	BPO! One reads the word and myriad of well-groomed youth on calls, fast money, and phenomenal lifestyles seem to flash the mind in a jiffy. That's just the start. One reads it again, contemplates over it, dives into the unveiled afflictions, and gives it a second thought and a completely differing depiction blazes the mind. Lopsided working hours, unimaginable attrition rate, stress and burnout exhibit its ugly side. No matter how the seesaw balances between the pros and cons, the fact remains conspicuous, loud and unchanged. BPO, Business Process Outsourcing, is the mantra of employment, the buzz of present, and the promise of future! The last decade saw an upheaval in the growth and development of the Indian economy, which was accompanied by the revolution in the technological front and a radical change in the way businesses were done. Instead of being the jack of all trades, the smart organizations have now redefined the way of working and now aim at being the master of their core business. Outsourcing the non-core processes in order to concentrate on the core ones is how the companies prefer to work now. BPO has become the obvious 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 2006). With the whirlpool of opportunities the Indian Business Process Outsourcing sector seems to be on a happy ride. It has emerged rapidly, and its exports have grown from $865 million in 2010 to about $9.3 billion in 2015. With the boat steaming ahead in the global markets, India has already become the most privileged destination. Hence such an eternal inventory of opportunities simply showcases a phenomenon which is no less than the renaissance for our Indian markets. The research paper aims to find out the factors that cause attrition, how do these dimensions vary across the personal characteristics, what factors actually contribute to attrition. Similarly, it studies whether satisfaction, motivation and involvement enhance the stay of an employee in the organization. Thus, based on the literature review, we assume that personal characteristics and job characteristics together lead to the level of satisfaction, motivation and involvement in an employee, which further leads to their sustenance in the organization for a long term. **Key Words**: Business Process Outsourcing, Employee Attrition, job satisfaction, etc.

INTRODUCTION

India is the hottest destination for any company that wants to outsource its business processes. From a negligible size in early 2000 to a gigantic size today, the BPO sector has been growing at an unprecedented rate. In 2013, India accounted for 75 percent of the total BPO offshore delivery value that was expected to increase by 55 percent annually over the next five years (Neale 2004). According to Scholl et al. (2013), India's revenue

from BPO operations was expected to grow from approximately $2 billion in 2012 to $23.8 billion in 2017 and its share of supply was projected to be 77 percent of the offshore BPO market. According to Nasscom, the Indian IT-BPO industry (including domestic market) recorded an overall growth of 38 per cent (currency adjusted), clocking revenues of $72 billion in FY07-08 up from $39.6 billion in FY06-07. 2008 was a year of revolution for the Indian IT – BPO sector as it began to re-engineer challenges posed by macro-economic environment, with the worldwide spending aggregate expected to reach nearly USD 1.6 trillion, a growth of 5.6 per cent over the previous year. The BPO exports are up by 30 per cent (in US dollars), registering revenues of $10.9 billion (Nasscom 2009). Indian IT-BPO grew by 12 per cent in FY2009 to reach USD 71.7 billion in aggregate revenue. Software and services exports (includes exports of IT services, BPO, Engineering Services and R&D and Software products) reached USD 47 billion, contributing nearly 66 per cent to the overall IT-BPO revenue aggregate. IT-BPO exports (including hardware exports) reached USD 47.3 billion in FY2009 as against USD 40.9 billion in FY2008, a growth of 16 per cent. Contrary to the sunny side of the story, we have a dark side of the BPO too.

The flip side of the BPOs revolves around the host of challenges that they have been facing since their very inception. The major challenges being faced by the BPO industry in India can be classified into internal and external challenges. The internal challenges include shortage of competent managers for the middle and senior management and the high attrition rates. The external challenge is in the form of opposition from the US politicians and the UK labor unions against shifting of the BPO operations by local companies to India. One of the most significant internal challenges is high attrition rates. Attrition refers to a gradual, natural reduction in membership or personnel, as through retirement, resignation, or death (National Performance Review 1997). It means not only loss of talent, but also includes the cost of training the new recruits. According to Mehta et al. (2006), of all the challenges posed to BPO organizations at various levels, attrition, absenteeism and motivating employees are the major ones that dominate at the middle level. The attrition rate in the industry has been hovering around 35%, which is quite high for any industry. An average Indian call center employee works with a company for 12 months, whereas an average UK call center employee stays in a company for 3 years. According to some analysts (BPO India 2014), in general, the attrition rate fluctuates between 20% and 40%, while in the best companies, it averages around 25%. As per NASSCOM (2010) report, the outsourcing industry would have a shortage of 262,000 professionals by 2015. Despite potential for tremendous growth, BPO industry continues to suffer from high level of attrition stemming from factors like high levels of stress and lack of opportunities for growth. Attrition in BPO, though varying from industry to industry has reached an all-time high level of nearly 60% (BPO India 2015).

Attrition in BPOs has terrible effects on the organization. The high attrition costs increases the costs to the organization considerably. They have to combat the amount of disruption due to unplanned exits. The more the people leave an organization, the more it is a drain on the company's resources like recruitment expenses, training and orientation resources and the time. The high attrition rate also affects the productivity of the organization. Therefore, it is extremely important to curb attrition not only for an individual firm but also for the industry as a whole. Many researchers have worked enormously on the BPO sector, citing its challenges, issues, and opportunities in and around employee performance, employee satisfaction, employee turnover etc.

Need of the research

Most research in the BPO sector has addressed only specific problems related to its environmental analysis like challenges, growth and opportunities, the problem of attrition, the HRM systems, and issues of job stress, job satisfaction, individual performance etc. Research done in the area of employee motivation and satisfaction has discussed domains like education (Sharma and Jyoti 2008, Smerek and Peterson 2006), private public employment (Demoussis and Giannakopoulos 2007), financial institutes (Kazemzadeh and Bashiri 2005), ITES industry (Dash et al. 2008), oil industry (Okpara 2006), government ministries (Al-Ajmi 2006), labor market (Brown et al. 2007), to name a few but not much inclusive and structured work has been done in the domain of BPO sector. Literature review has also shown how various researchers have identified a plethora of reasons behind the escalating problem of attrition and how many of them have even suggested recommendations to combat it (Misra 2007, Rakesh and Rehman Malik 2004, Ramanathan 2014). Many researchers have also worked on various domains like the HRM systems and practices (Budhwar et al. 2006), job satisfaction (Sharma 2006, E-sat survey 2005), and burnout prevention (Kanwar et al. 2008). However, no systematic and comprehensive work has been found that collaborates all the facets viz. attrition, retention, employee motivation, involvement etc to combat the most smoldering problem of the present times i.e. attrition. Another interesting thing that emerged from prior researches and focused group interviews taken for pilot survey is that reducing attrition may not always mean increasing retention. Attrition may reduce if the negative characteristics of the job are taken care of. However, that does not mean employees increase their willingness to stay in the same organization. Thus different set of factors emerged for attrition and retention respectively. Looking at the big picture of the much realized potential of the BPO industry in India and the impending curse of attrition in this sector, it can be confidently said that the problem cannot be overlooked. There is a dire need of tackling the problem of attrition in the BPO industry of India and for this employee motivation has been chosen as an effective tool. There is need to develop a concurrent strategic method, an

innovative development paradigm that can be utilized to curb the ever-increasing attrition rate in the BPO industry. Thus the need for this study can be clearly defined in two points:

1. Attrition is a burning problem for the promising industry of BPO, especially because it fails to tap the full utilization of the human resources and wastes much of its time, money and resources due to this.

2. Dearth of motivation among the BPO employees is one of the bitter truths that is responsible for the attrition in this sector, and it is time we enhanced it in the BPO sector.

Objectives of the study

1. To identify and rank the factors of attrition in BPOs based on accumulative literature review and secondary data.
2. To explore and analyze the dimensions of attrition in BPOs based on primary data collected from field survey.
3. To identify and explore the dimensions of employee retention in BPOs based on primary data collected from field survey.
4. To develop a regression model for escalating the stay of employees in BPOs and give recommendations for the same.
5. To assess the existing level of employee motivation and validate the model by studying the impact of recommendations on a small patch.

Scope of the study
Although the development of motivation model to tackle the problem of attrition in the BPO sector has inputs from a variety of sources including primary and secondary sources, the study is confined to the data collected from Chennai city. Moreover, only selected facets of job characteristics have been considered for the study. There are many which can be included in order to assess employee motivation. Therefore the scope of the study is limited to the geographical location of the sample size and also to the selected dimensions of personal characteristics and employee motivation.

Research Methodology

The general intent of this descriptive study was threefold. Therefore a systematic and organized methodology was obtained for the research study. A survey design was used to obtain the required information. The population for this study comprised of employees working in various BPOs in Chennai city. A sample size of 200 was chosen for this study. Simple random sampling technique was used to gather data from the respondents, because of which respondents diverged from every age group, gender, organization, marital status etc. but were restricted only to low and middle level employees, where the attrition is highest. The questionnaire was intricately designed to tap the demographic variables including age, education, gender, marital status, and tenure of the respondents. It also gathered information about the factors responsible for attrition, the factors that can be employed to retain the employees in a BPO, their overall level of satisfaction, motivation, involvement and life interest and work compatibility.

Exploring the dimensions of attrition in the BPO industry

Secondary Data Analysis
In order to gain a deeper understanding about the phenomenon of high attrition, and identification of the factors behind it, a lot of literature on BPO, particularly what got published during 2004 and 2005 was studied in detail. Major causal factors for high attrition in Indian BPO industry identified in this study were based on qualitative research using secondary data. These were compared with causal factors for attrition identified through personal interview with a number of BPO employees in the city. There was a close similarity between the two results, authenticating the qualitative research on causal agents for attrition identified in this study. The study ranked low perceived value and monotonous work as number one factor attrition. Rank two was shared by high salary expectation and unusual working hours. Next factor was disillusioned employees; rank four was shared by stress and
burnout, pressure to perform on metrics, and lack of motivation. Finally rank five was jointly shared by lack of security and social interaction.

Table 1: Summary of ranks from secondary study

Causal Agents / Factors	Score (on 1)	(Rank)
Higher Salary Expectation	0.8	(Rank-II)
Lack of Security	0.4	(Rank-V)
Lack of Social Interaction	0.4	(Rank-V)
Monotonous Work	0.9	(Rank-I)
Unusual Working Hours	0.8	(Rank-II)
Pressure to perform on Metrics	0.5	(Rank-IV)

Low Perceived Value	0.9	(Rank-I)
Disillusioned Employees	0.7	(Rank-III)
Stress and Burnout	0.6	(Rank-IV)
Lack of Motivation	0.6	(Rank-IV)

On the basis of these ranks and factors, an interesting inference was drawn. Low perceived value stands out as the most significant factor for attrition. Increased dissatisfaction leads to reduced motivation, which in turn results in lowered efficiency. When the efficiency is lowered, employees are not able to deliver their expected output which results in their leaving the job. When employees quit, the perceived value is further lowered.

Moreover, it gives rise to the prevalent gap in motivation in this industry. BPO industry is growing at a sweltering pace but the gap between the actual and expected level of employee motivation in the industry is increasing due to the formation of a vicious circle. New employees join the industry with excitement (because of big bucks and vibrant work culture) resulting in higher levels of motivation. However, they soon get disillusioned as the realities strikes in. Employee motivation gets a beating at a fast pace. Gap between the actual and expected level of employee motivation increases as the employee spends longer time in BPO industry. The objective concluded some findings about attrition through the way of motivation. Low Time Spent in Organization Initial Level of Motivation Expected Motivation Actual Motivation Subsequent Level of Motivation Main Causal Agents for Depletion of Motivation: Low Perceived Value; Monotonous Work; High Salary Expectation; Unusual Working Hours; Disillusioned Employees; Stress and Burnout; Pressure to Perform on Metrics; Lack of Security and Social Interaction. Level of Motivation

Motivational measures appropriate for BPO employees need a close examination and implementation on a high priority. Thus, the first objective was effectively achieved as it resulted in the formation of vicious circle of attrition and also gave a clear picture of the gap in motivation prevalent in the BPO industry. The next objective aimed at exploring the dimensions of attrition based on the primary data collection.

Primary Data Analysis

Objective 2. To explore and analyze the dimensions of attrition in BPOs based on primary data collected from field survey.

The second objective was fulfilled with the help of a number of statistical analyses that included factor analysis, regression, t-test, Duncan's mean test, and correlation. In order to identify and evaluate the factors behind attrition based on primary data, factor analysis was done. Principal component analysis was the method of extraction. The Kaiser rule for number of factors to extract was applied. 8 factors were extracted viz. dispirited perceptual factors, unfavorable working conditions, hostile organizational culture, discontented personal factors, substandard nature of job, uncongenial organizational support, low self-fulfillment, and mystified career path.

Table 2: Factors for attrition from factor analysis

Factor	Item	Factor Loading	Factor Name
1	• Low Perceived Value	.8623	Dispirited Perceptual Factors
	• Lack of Equality	.8276	
	•Lack of Advancement Opportunities	-.6492	
	• Incompatible Policies	.5024	
2	• Dissatisfied with Working Conditions	.7692	Unfavorable Working Conditions
3	• Power and Politics	.7975	Hostile Organizational Culture
	• Dissatisfied with Colleagues	-.4808	
	• Lack of Teamwork	.4483	
4	• Dissatisfied with compensation	-.8268	Discontented Personal Factors
	• Personal Reasons	.6594	
	• Dearth of self-motivation	.6894	
5	• Lack of Skill Variety	.5134	Substandard Nature of Job
	• Monotonous Nature of Job	.5022	
	• Absence of Challenge	.8517	
6	• Irregular Working Hours	.3609	Uncongenial Organizational Support
	•Emphasis on quantity over quality	.5455	
	• Ineffective Supervision	-.4223	
7	• Lack of Autonomy	-.4472	Low Self-Fulfillment Factors
	• Achievement not recognized	.8372	

8	• Poor Mentoring	-.6228	Mystified Career Path
	• Unsure of career growth	.8153	

The next step involved computing the correlations between the independent variables and the dependent variable in order to find out the relationship between the two. Substandard nature of job, dispirited perceptual factors, discontented personal Factors, uncongenial organizational support, and hostile organizational culture have significant correlations with the dependent variable that is probability of quitting the organization. All the correlations are positive. It should be noted here that the dependent variable in the equation is the employee's probability of quitting the organization and all the independent variables are positively correlated with it. That means these pessimistic dimensions like substandard nature of job, dispirited perceptual factors, discontented personal factors etc are positively correlated with the employees' probability of quitting an organization. The only three variables which do not have a significant correlation are low self fulfillment factors, mystified career path and unfavorable working conditions. That means it cannot be said with statistical significance that probability of quitting increases with the increase of uncertainty of career growth or poor mentoring or even achievement not being recognized.

Table 3: Relationships (Correlation coefficients) between factors of attrition, and probability of quitting the organization (N=200)

Sl No.	Factors of attrition	Probability of quitting
1	Substandard Nature of Job	0.45**
2	Dispirited Perceptual Factors	0.30**
3	Discontented Personal Factors	0.22**
4	Uncongenial Organizational Support	0.23**
5	Hostile Organizational Culture	0.18**
6	Low Self-Fulfillment Factors	0.04NS
7	Mystified Career Path	0.03NS
8	Unfavorable Working Conditions	0.03NS

** Significant at .01 level.

Regression analysis was also done in order to find out the contribution of these factors to the stay of an employee. Substandard nature of the job, discontented personal factors, uncongenial organizational support, dispirited perceptual factors and hostile organizational culture are the main determinants of attrition in the BPO industry. The value of multiple R is 0.60 and the value of r square is 0.36 in the equation. It states that 36% of the attrition in a BPO is explained by these factors. An employee tends to leave the organization because of the substandard nature of the job, discontented personal factors, uncongenial organizational support, dispirited perceptual factors and hostile organizational culture.

$Y = 1.78 + 0.38X_1 + 0.42X_2 + 0.34X_3 + 0.33X_4 + 0.09X_5$

Where,

Y = Stay in the organization

X_1 = Substandard nature of job

X_2 = Discontented personal factors

X_3 = Uncongenial organizational support

X_4 = Dispirited perceptual factors

X_5 = Hostile organizational culture

These dimensions were then compared across all the personal characteristics i.e. age, gender, marital status and education. In the gender dimension, factors like dispirited perceptual factors, unfavorable working conditions, discontented personal factors, monotonous nature of job, and low self fulfillment factors had significant difference in the mean values of males and females. Dispirited perceptual factors, discontented personal factors, and low self-fulfillment factors were ranked higher by male employees.

In the marital status dimension, significant difference was found in the mean values of dispirited perceptual factors, unfavorable working conditions, discontented personal factors, hostile organizational culture, uncongenial organizational support and low self fulfillment factors. Uncongenial organizational support, hostile organizational culture, low self-fulfillment factors, discontented personal factors, and dispirited perceptual factors as factors responsible for attrition were ranked higher by married employees as compared to unmarried employees.

In the education dimension, all the factors except for mystified career path had significant differences in mean and standard deviation values between graduate and post-graduate respondents. Factors like hostile organizational culture, uncongenial organizational support, and dispirited perceptual factors were highly significant as compared to others. Hostile organizational culture, uncongenial organizational support, monotonous nature of job, discontented personal factors, and unfavorable working conditions were all ranked higher by graduates as compared to post graduates. Post graduate employees ranked perceptual factors and self-fulfillment factors as important reasons for leaving an organization.

In the age dimension, dispirited perceptual factors and monotonous nature of job showed highly significant differences in mean and standard deviation values. Mystified career path, unfavorable working conditions and hostile organizational culture were other significant factors. Organizational culture, working conditions, nature of job was ranked highest by employees less than 25 years of age. Dispirited perceptual factors along with mystified career path were ranked highest by employees more than 35 years of age than other less aged employees.

When the dimensions were compared across the three tenure groups, uncongenial organizational support, hostile organizational culture, low self-fulfillment factors, and discontented personal factors showed significant differences in mean and standard deviation values. Unfavorable working conditions, dispirited perceptual factors and substandard nature of job did not have any significant difference in the mean values or standard deviations. F value was highest in case of organizational support. This factor was ranked highest by respondents with less than 1 year of job. Hostile organizational culture, discontented personal factors, and mystified career path was ranked highest by respondents with more than 3 years of experience. Employees with 1 to 3 years of experience ranked low self fulfillment factors as the highest. Thus the second objective of exploring the dimensions of attrition through primary data was successfully achieved.

Exploring the dimensions of employee retention

Dimensions of retention
Objective 3. To identify and explore the dimensions of employee retention in BPOs based on primary data collected from field survey.

For the fulfillment of the third objective, a series of statistical analyses were done. It began with factor analysis, followed by mean tests to compare the dimensions across various characteristics and ended with the computation of correlations. In order to identify and evaluate the factors behind retention based on primary data, factor analysis was done. Principal component analysis was the method of extraction. The Kaiser rule for number of factors to extract was applied. All total 4 factors were extracted viz. intrinsic motivation factors; hygiene; life interest and work compatibility factors; and involvement factors.

Table 4: Factor Analysis of the factors of retention

Factor	Item	Loading	Factor Name
1.	• Opportunity for personal growth and development in my job position.	.8308	Intrinsic Motivation Factors
	• Opportunity in my job position to give help to other people.	.4028	
	• Feeling of self-esteem a person gets from being at my position.	.7554	
	• Authority connected with my position.	.5306	
	• Feeling of self fulfillment a person gets from being in my job position (i.e. feeling of being able to use one's own unique capabilities, realizing one's potentialities)	.8109	
	• My role at the current job position.	.4458	
	• Prestige of my job position inside the organization.	.6149	
2	• Amenities like housing, conveyance, medical benefits provided.	.3075	Hygiene Factors
	• Opportunity to develop close friendship in my job position.	.4998	
	• Salary offered for my job position.	.8405	
	• Facilities provided for effective working (lighting, air conditioning, seating etc.)	.6316	
	• Security of my job position.	.7643	
3.	• Feeling of worthwhile accomplishment in my job position.	.3053	Life Interest and Work Compatibility Factors
	• Opportunity one gets to move ahead in life and become fairly well-known and well-off.	.4692	
	• Consideration given by the government to this profession.	.8048	

	• Prestige of my job position outside the organization (that is regard received from others not in the organization.)	.8696	
4.	• My overall involvement in the work	.3516	Involvement Factors
	• Sense of accountability for a person at my job position.	.3158	
	• Opportunity in my job position for participation in the determination of methods and procedures.	.7969	
	• Opportunity for independent thought and action.	.6832	

The dimensions of retention so formulated after the factor analysis were then compared across the various personal characteristics of the respondents chosen for the study. On the basis of gender comparison, extrinsic hygiene factors, involvement factors and life interest and work compatibility factors had their mean values significantly higher in case of females as compared to males. On the basis of marital status comparison, the mean value of involvement factor was higher in case of married employees than unmarried ones. On the basis of education, all the factors except involvement factors had significant differences in mean and standard deviation values between graduate and post-graduate respondents. Life interest and work compatibility factors, intrinsic motivation factors and extrinsic hygiene factors were all ranked higher by post graduates as compared to graduates. On the basis of age comparison, extrinsic hygiene factors, life interest and work compatibility factors and intrinsic motivation factors showed highly significant differences in mean and standard deviation values. Extrinsic hygiene factors; life interest and work compatibility; and intrinsic motivation factors were ranked higher by employees more than 35 years of age than other less aged employees. On the basis of tenure groups, intrinsic motivation factor and life interest and work compatibility was ranked highest by the respondents with more than 3 years of tenure. Involvement factor was ranked highest by the second tenure group i.e. with 1-3 years of tenure in the present organization.

Relationships were also found out between the various retention factors and the perceived attitudes of the employees. All the correlations had positive and significant coefficients, thus stating the fact that if an organization is able to exploit the retention factors, viz. motivation factors, hygiene factors, involvement factors, and life-interest and work compatibility, the employees can readily and voluntarily express their willingness to continue.

Objective 4. To develop a regression model for escalating the stay of employees in BPOs and give recommendations for the same.

For the fourth objective, regression analysis was done. The dependent variable was sustenance in an organization, and the independent variables were personal characteristics viz. age, gender, education, marital status, and retention factors viz. motivation factors, extrinsic factors, involvement factors, and life interest and job compatibility factors. All these eight factors were put in the model as independent variables and willingness to continue in the organization was put as the dependent variable. Intrinsic motivation factors, employee involvement factors, age and education are the main determinants of retention. The value of multiple R is 0.60 and the value of r square is 0.36 in the equation. It states that 36% of the retention in a BPO is explained by these factors. An employee's sustenance in an organization can be rightfully explained by these factors.

$$Y = 1.78 + 0.47X_1 + 0.15X_2 - 0.13X_3 - 0.11X_4$$

Where,
Y = Stay in the organization
X_1 = Intrinsic Motivation Factors
X_2 = Involvement Factors
X_3 = Age
X_4 = Education

After forming the regression model, value for each respondent's willingness to stay in the organization was calculated. These predicted values were then compared to the actual values as given by the respondents. There was a strong correlation between the actual and predicted values. The correlation came out to be 0.659** which was significant at 0.01 level. Thus, on the basis of the regression model it can be concluded that intrinsic motivation factors; and involvement factors are quite instrumental in retaining the employees in an organization and at the same time, age and education negatively contribute to the sustenance of the employees in the organization. Employee involvement is a proven tool to motivate and retain employees and according to the result here, it can be constructive in the Indian BPOs too. In the West, there has been ongoing interest in getting workers more involved in various processes, such as decision-making and information sharing. Employee participation adds to employees' growth needs and sense of achievement through a healthier deployment of their dexterity and potential. Employee participation in planning and decision making and in articulating new policies also acts an important tool to improve employee motivation. Finding ways to

intrinsically motivate employees to improve effectiveness and performance can have long lasting impact on their sustenance too.

Objective 5. To assess the existing level of employee motivation and validate the model by studying the impact of recommendations on a small patch.

For the final validation of the regression model, a small patch test was done on a sample of 50 employees in Intelnet Private Ltd. Few concrete recommendations were made to the process manager of this BPO and he was asked to stringently apply these recommendations. The employees chosen for this study were the ones who had said they would leave the organization if they were offered work with the same pay elsewhere. Data which was collected, after three months of implementation, was analyzed statistically. The response scores were put in the regression equation as derived from the fourth objective and the resultant willingness to stay in the organization was calculated. The comparison with their original scores clearly revealed that there was an escalation in the scores. Also, the predicted scores and the actual scores of the willingness to continue in the organization was put under correlation. It was found that both the values were strongly and significantly correlated with each other, with coefficient as 0.66**. Finally, employees were classified under four broad categories based on their level of involvement and motivation viz. detached, disgruntled, strugglers and stars.

Findings, Recommendations and Conclusions

Findings

Based on the conclusions derived after the in-depth and comprehensive study, few implications can be made about employee retention. Employee retention is vital to the long term health and success of any business organization, especially in case of BPOs where the organizations spend so much in the recruitment and their initial and on going training of the employees. Organizational issues such as time and investment involved in training; knowledge lost due to attrition; mourning and insecure coworkers and a costly replacement of candidate costs a lot to the organization. Employee retention does matter. The concept of employee retention should be very distinctly understood and realized by organizations. The retention strategies designed should be such that the retentive forces are maximized and the debilitating forces minimized. Attempt should be made not to orchestrate the retention strategies in isolation but ensuring that it forms a part of the overall strategies for fortifying the pull on the human talent, which include sourcing, staffing and development strategies in addition. It should also be noted here that retention policies should be highlighted at par with other policies so as to ascertain that the employees feel they are highly valued. Once the employees working in the organization are made to feel that the organization holds high degree of attachment towards them, it shall be easy to incorporate retention strategies. The organization should inculcate the value of people asset and the duty of retention across all levels.

Many BPOs are adopting some fundamental actions to retain employees, including salary surveys to stay shoulder to shoulder of the market, culture-building exercises for employees, exit interviews, counseling, employee development programs, rewards and recognition, as well as increased pay and benefits.

Inculcating the retention culture

The most important aspect of inculcating the retention culture is to emphasize upon the employees that the organization values them. Culture of retention should prioritize the I-I-I model i.e. Introduce-Inculcate-Involve. The details are as follows:

• Introduce to the employees that the organization holds high degree of attachment towards them values them and believes in sustaining them.

• Inculcate the culture in the organization communicating to the employees that retention of employees is not just a segregated task of the H.R, but is the responsibility of the whole family. Season the work culture that is in sync with the philosophy of retaining the employees.

• Involve employee more in planning retention strategies as coworkers understand better than supervisors.

Few ways to create a culture of retention should include taking care of the intrinsic motivation needs of the employees, and involvement factors. For creating a culture of retention in the organization the following should be kept in mind:

Even the ordinary has something extraordinary: No role within the organization should be viewed as "ordinary". Everyone should be given the opportunity and the goal of being extraordinary.

Create a mission, act upon it, and feel proud about it: A mission which a team can take pride in should be created.

Shape up a free atmosphere; break away redundant policies: People should not be strangled by micro-managing or by burying them in policies and procedures. Only the necessary guidelines and tools should be given. A free and liberated atmosphere should be given to the employees. Celebrate activities, not just performance. Small little progresses should also be celebrated and recognized. Activities, efforts, and modest improvements instead of big results should be noted and praised.

Create, Innovate, and Designate: Empowering employees for decision making, innovation and creativity is the key to foster a positive atmosphere and enhance employee involvement. Allowing the employees to play, have fun and experiment with newness; encouraging them to contribute to others (employees, customers and the

community) in extraordinary, innovative and novel ways; designating employees with expansion of their responsibilities horizontally, and empowering them can have multiplying effects on the loyalty of the employees.

Recommendations: Developing Retention Strategy

Organizations should have a proactive retention strategy which helps in reducing employee turnover. Retention plan strategies should be different for different level of employees, because their roles are different; their needs are different; what motivates them are different and what makes them leave are also different. Based on the study it has been seen that dimensions of satisfaction and motivate are significantly different for employees on the basis of age, gender, marital status and education. Then, the regression model revealed that intrinsic motivation and involvement factors, as well as age and education level contribute to the sustenance of employees in the organization. Thus based on the findings, it can be said if the employees are motivated and involved in the work they can be retained.

The ease of retention would depend on their degree of motivation and involvement. It is desirable to plan employee retention strategy by an organization, which should cover following aspects:

• Reciprocity is the key. Employees are investors in the company and expect a return on investment. The return can be in the form of recognition, empowerment and authority.

• Retention must be part of the organization's DNA. Successful organizations have woven retention and engagement deeply into their structure.

• Loyalty is never given. Loyalty must be earned; even satisfied employees sometimes leave. Therefore, develop sense of loyalty among the employees.

• Organizations must be seen as employers of choice. One has to compete on compensation and benefits, but win on culture, learning and development.

• Stars include more than just the top 10% -- or 1%! Stars are people at any level who sustain in the organization and bring value to it.

• Each generation of employees has different reasons for staying. For the first time in modern history, there are varied generations working side-by-side in most companies of this industry. Generational differences continue to pose new challenges to today's employers. Thus, retaining them needs a generation-centric approach.

• Mentor widely and in both directions. Build learning relationships in all directions and hold all partners responsible for the success.

• Train intelligently. Provide on-going retention training in manageable bites – make it a continuous effort and find ways to size the retention plan to the specific demographics of the organization.

• Create a development culture. "Career development is the right thing for the organization (identifying and developing future leaders), the right thing for the employee (creating a development environment), and a key retention component."

• Recognize managers who keep employees. Meaningful recognition remains a potent energizer for employees and managers alike.

REFERENCES

1. Addison, John T., Stanley Siebert, Joachim Wagner, and Xiangdong Wie (2000), Worker participation performance: evidence from Germany and Britain, British Journal of Industrial Relations 38, 7-48.
2. Appelbaum, Eileen, Thomas Bailey, Peter Berg, and Arne L. Kalleberg (2000), Manufacturing advantage – Why high performance work systems pay off, Ithaca: ILR Press.
3. Barney, Jay. "Firm Resources and Sustained Competitive Advantage." Journal of Management 17 (March 1991): 99–120.
4. Budhwar, P, Luthar, H. and Bhatnagar, J (2006) "The Dynamics of HRM Systems in Indian BPO Firms." Journal of Labor Research Vol. XXVII, No. 3
5. Cacanas, Zoe. "The Offshoring Craze: What to Think About Before You Jump." Human Resources Management International Digest 13 (March 2005): 36–38.
6. Cappelli, Peter and Nikolai Rogovsky (1994), New work systems and skill requirements, International Labor Review 2, 205-220.
7. Cappelli, Peter and Rogovsky, Nikolai, "Employee Involvement and Organizational Citizenship: Implications for Labor Law Reform and 'Lean Production'." Industrial and Labor Relations Review, July 1998.
8. Chakravorty, B. (2005), "BPO E-Sat 2005", Dataquest, November 15, pp. 22-28, available at www.iseva.com/news-events/downloads/iSeva-The-preferred-employer.pdf. Last accessed on February 06, 2010.
9. Chalos, Peter and Jaeyoung Sung. "Outsourcing Decision and Managerial Incentives." Decision Science 29 (Fall 1998): 901–19.
10. D'Aveni, Richard and David J. Ravenscraft. "Economics of Integration versus Bureaucracy Costs: Does Vertical Integration Improve Performance?" Academy of Management Journal 37 (October 1994):1167–206.

11. Delery, John E. and D. Harold Doty (1996), Modes of theorizing in strategic human resource management: Tests of universalistic, contingency and configurational performance predictions, Academy of Management Journal 39, 802-835.
12. Feeny, David, Mary Lacity, and Leslie P. Willcocks. "Taking the Measure of Outsourcing Providers." Sloan Management Review 46 (Spring 2005): 41–48.
13. Finlay, Paul N. and Ruth M. King. "IT Outsourcing: A Research Framework." International Journal of Technology Management 17 (No. 1–2 1999): 109–28.
14. Gilley, Matthew K. and Abdul Rasheed. "Making More by Doing Less: An Analysis of Outsourcing and Its Effects on Firm Performance." Journal of Management 26 (Issue 4 2000): 763–90.
15. Godard, John and John T. Delaney (2000), Reflections on the 'high performance' paradigm's implications for industrial relations as a field, Industrial and Labor Relations Review 53, 482-502.
16. Huselid, Mark A. (1995), The impact of human resource management practices on turnover, productivity, and corporate financial performance, Academy of Management Journal 38, 635-672.
17. Prahalad, C.K. and Gary Hamel. "The Core Competencies of the Corporation." Harvard Business Review 68 (May–June 1990): 79–91.
18. Quinn, James B. "The Intelligent Enterprise: A New Paradigm." Academy of Management Executive 6 (November 1992): 48–63.
19. Ramchandran, Kumar and Sudhir Voleti. "Business Process Outsourcing (BPO): Emerging Scenario and Strategic Options for IT-enabled Services." Vikalpa 29 (January–March 2004): 49–62.
20. Rose, Ed and Gillian Wright. "Satisfaction and Dimensions of Control among Call Centre Customer Service Representatives." International Journal of Human Resource Management 16 (January 2005):136–60.
21. Shaver, J. Myles (1998), Accounting for endogeneity when assessing strategy performance: Does entry mode choice affect FDI survival?, Management Science 44, 571-585.