4.0 INTRODUCTION
All the industries want their trained and talented employees to be retained to attain their organizational goals. Early departure by the recruited workforce will incur multi dimensional loss to an organization. “Employee attrition” in IT/ITES-BPO not only pushes up costs incurred on the recruitment and training of employees but also affects productivity along with the ideal level of knowledge maturity of the organization. The organizations which have the capacity to ensure lasting relationship with employees would survive in the market place and others would fade away in the long run. This chapter discusses the overall research methodology consists of Variables/factors, Research objectives, Construction of questionnaire, Sample method and size, Sources of data, Pilot study, etc.

4.1 VARIABLES USED IN THE QUESTIONNAIRE
The following are some of the important aspects of employee retainability as variables. The variable are “the recruitment aspects and recruitment tools” used during interview and after hiring the candidates the variables are “facilities/welfare measures” provided by the employer.

1. Job Security: The most important aspect in an organization is job security because job security is the basic aspect which induces the workers interest towards sincere work.
2. **Resolving complaints, grievances and problems by the employer:** Another important area where the employee can easily be diverted to demotivated condition.

3. **Monetary benefits:**

   i) **Flexible salary:** Its main objective is to provide flexibility to the employees to plan a tax effective compensation structure by balancing the monthly net income, yearly benefits and income tax payable. It is applicable to all the employees of the organization. The salary consists of basic pay, dearness allowance, conveyance allowance, etc. whereas the flexible benefit plan consists of house rent allowance, leave travel allowance, medical reimbursement, special allowances, etc.

   ii) **Provident fund:** As per statutory guidelines, employees are required to contribute a percentage of the basic salary and DA to a common fund. The employer contributes as well. The employee can use the amount deposited in this fund as a retirement benefit or apply for loans for various personal purposes such as purchase of house, marriage, etc.,

   iii) **Gratuity:** Gratuity is one of the retirement benefits given to the employee to which the employer every year contributes a particular amount.

   iv) **Loans:** Many IT/ITES-BPO companies provide loan facilities on three different occasions, in case of a medical emergency, at the time of their wedding and for their career development/higher studies. And finally the new recruiters are provided with interest free loans to assist them in their initial settlement at the work location because they may hail from different locations.

   v) **Incentives:** In many IT/ITES-BPO companies there are plans for performance based incentive schemes. The parameters for calculation are process performance speed, accuracy and productivity. The pay for performance can be as much as 22% of the salary.

   vi) **Wedding day gift:** Some of the companies provide a wedding day gift voucher of Rs 2000 to Rs 10000 based on the workers level in the organization.
4. **Flexibility of working Time**: The main objective of the flexible working time policy is to provide opportunity to employees to work with flexible work schedules and set out conditions for availing this provision. Flexible work schedules are initiated by the employees and approved by the management to meet business commitments while supporting the employees personal life needs. The factors on which flexible time is allowed to an employee include child or parent care, health situation, maternity and formal educational programme. Considering the personal need of employees the practices should be a flexible shift system that facilitates employees to work in different shifts.

5. Growth opportunities/promotions/upward mobilization. 6. **Transport facilities**: Company bus facilities for transporting employee from residence to workplace and vice versa.

7. **Medical facilities**: Medical facilities are very important in Indian IT/ITES-BPO companies. MoU with the hospitals with medical insurance and other facilities for first aid and medical treatment.

8. **Canteen and rest room facilities**: Important facility for IT/ITES-BPO workers.

9. **Salary revision period**: Normal Periodical salary revision is between three and ten years.

10. **Training and development aspects**: The very important aspect after manpower is being hired. For example, Wipro spectra mind, Zen Star Technologies have tied up with leading academic institutions like BITS Pilani and Symbiosis Pune for pursuing distance learning programmes for its employees. The ICICI One Source, the Bangalore based BPO provides scholarships for those who enroll for the distance mode learning.


27. **Non-monetary benefits:**
i) **Insurance/group mediclaim insurance:** This insurance scheme is to provide adequate insurance coverage to employees for expenses related to hospitalization due to illness, disease or injury or pregnancy in the case of female employees or spouses of male employee. All employees and their dependents are eligible. Dependent family members include spouse, non-earning parents and children above three months.

ii) **Personal Accident Insurance Scheme:** This scheme is to provide necessary insurance coverage for hospitalization expenses arising out of injuries sustained in an accident. It is applicable to all the employees and covers total/partial disablement/death due to accidents.

iii) **Subsidized Food and Transportation:** The organizations provide transportation facility to all employees’ from home to office at subsides rates or absolutely free. Lunch, tea and snacks are also provided on subsidized basis.

iv) **Company leased accommodation:** Some of the companies provide shared accommodation/hostel facilities, separate hostels for male and female workers, for all the outstation employees. In fact some of the BPO companies also undertake to pay electricity and water bills as well as the society charges for the shared accommodation. The purpose is to enable the employees to lead a comfortable work balance.

v) **Recreation, cafeteria, ATM and concierge facilities:** All the recreation facilities which include pool table, chess tables and coffee bars. Some of the companies have well equipped gyms, personal trainers, indoor game and outdoor game facilities.

vi) **Personal health cares:** Regular and periodical medical check-ups are arranged. Some of the BPOs provide periodically the facilities for extensive health check-up for employees above 40 years of age.
vii) Corporate credit cards: The main purpose for the corporate credit card is to enable the timely and efficient payment of official expenses which the employees undertake for purposes such as travel related expenses, hotel bills, air tickets, etc.

Viii) Cellular phone/lap tops: Cellular phone and laptops are provided to employees on the basis of business needs. The employee is the safeguard of these goods and repair and maintenance expenses are reimbursable.

ix) Regular get together and other cultural programmes: The company organizes cultural programmes as and when possible but mostly once in a quarter in which all the employees are given an opportunity to display their talents. Apart from this the organizations also conducts various sports programmes.

x) Educational benefits: Many IT/ITES-BPO companies have educational policies to develop the personality and knowledge level of their employees and hence reimburse the expenses incurred towards tuition fee, examination fee and purchase of subject books for career development and pursuing higher studies.

xi) Paid days off, maternity and other medical leave facilities, employee stock option plan are also provided in these companies.

4.2. RESEARCH OBJECTIVES

1) To study the recruitment process of IT/ITES-BPO companies and to explore the recruitment strategies used during manpower hiring.

2) To study the welfare measures provided by the IT/ITES-BPO companies.

3) To study the employee retention factors such as Training and motivation, Organizational culture and open system, leadership and interpersonal relations and Hygiene factor-Personal care and career growth.

4) To study the differences among the small, medium and large IT/ITES-BPO companies.
5) To provide necessary suggestions/solutions/model to reduce the employee attrition problem in the IT/ITES-BPO industry.

**4.3. PERIOD OF RESEARCH**

Discussion with the Human Resource Managers, IT/ITES-BPO sector experts, data collection and relevant activities were conducted in the years 2008, 2009 and 2010.

**4.4. PILOT STUDY**

A pilot study was conducted in the beginning of the year 2010 with three companies and eighteen samples at two companies in Chennai and one company in Coimbatore. The pilot study reveals that the research questionnaire has contained the necessary variables to collect the relevant data for the study.

**4.5. RESEARCH QUESTIONNAIRE**

As many as 64 questions were asked which included open ended questions and objective type questions with Likerts Five Point Scale. Kindly see the Questionnaire enclosed as annexure-page no XII. The data have been received by hard copy (printed in English) and soft copy by means of e-mail from the respondents’. The research questionnaire is based on two sections as employee recruitment aspects and employee retention aspects. Diagram-10 shows the construction of the questionnaire with the important variables/factors.
4.6. SOURCES OF DATA

Friendly and confidential discussions were conducted with a few HR managers regarding the employee attrition in the IT/ITES-BPO companies and 16 (sixteen) companies that are said to be facing employee attrition problem were identified. When they were approached, they were not willing to share their attrition problem. They tried to hedge and were not interested in the questionnaire to obtain data from their employees. But the HR managers were kind enough and suggested obtaining data from the employees outside the campus and helped indirectly.
The HR managers introduced some of their employees who were about to leave their organisations and asked them to help in data collection. Discussion was taken up with these personnel and through their opinion some “dissatisfied employees “were identified. They were above to leave during the research period. With the help of HR managers of these 16 companies an estimation of 1500 employees was made who would be leaving during this research period. The researcher approached 200 respondents for the data collection of which 162 responded. Totally, one hundred and sixty two employees of these sixteen IT/ITES-BPO companies became respondents. Finally data have been obtained from these 162 “identified employees“ of small, medium and large scale IT/ITES-BPO companies located in Chennai and Coimbatore. The percentage of the respondents is 10.8%. (162 x 100 divided by 1500 = 10.8%). This is very much similar to a “comprehensive pre- exit interview”.

4.7 THE SAMPLING FRAME

Sixteen companies that faced severe employee attrition were identified through discussions with the HR managers. Based on the number of employees/workforce strength, this IT/ITES-BPO was divided into three categories namely, large, medium and small. Companies with more than 2000 Workforce strength\textsuperscript{134} were considered “large”, more than 1000 but less than 2000 workforce considered “medium” and less than 1000 work force considered “small.” (Work force strength = total number of employees of a particular company, employees of all its branches put together) About 150 registered IT/ITES-BPO companies exist in Tamil Nadu state in India. Six (6) companies of large size IT/ITES-BPO sector and five (5) from the medium size and another five (5) from the small size IT/ITES-BPO sector were selected for this study. The sixteen (16) IT/ITES-BPO companies have contributed to this data collection. They constitute approximately 10% of the total companies. Regarding the size of the respondent, Table 4.1, Sixty five (65) respondents from the large size industry and Fifty seven (57) respondents from medium size industry and another Fifty (40) respondents from small size industry i.e. a total of one hundred and sixty two (162) Highly dis –satisfied employees were selected for this study.

\textsuperscript{134} Work force Strength – Total number of employees of a particular company, i.e., employees of all its branches at various places put together of a particular company.
<table>
<thead>
<tr>
<th>Gender</th>
<th>Small size Companies (5)</th>
<th>Medium size Companies (5)</th>
<th>Large size Companies (6)</th>
<th>Total (16)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>22</td>
<td>37</td>
<td>40</td>
<td>99</td>
</tr>
<tr>
<td>Female</td>
<td>18</td>
<td>20</td>
<td>25</td>
<td>63</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>57</td>
<td>65</td>
<td>162*</td>
</tr>
</tbody>
</table>

(Table-4.1)

*Out of the 162 respondents 61.11 percent (99) are Male and 38.89 percent (63) are female. The NASSCOM Report May - 2009 states that the male and female ratio in Indian IT/ITES-BPO industry was 62% and 38% respectively. The male and female respondents’ ratio for this research almost match this report.

4.8. SAMPLE METHOD

Highly dis-satisfied employees were identified by convenience sampling method as shown in the sub sections 4.6 & 4.7.

The names of the IT/ITES-BPO companies where the respondents are working and data obtained are as follows; (Fourteen companies in Chennai and two companies in Coimbatore)

**Small size IT/ITES-BPO companies**

1. SNP Enterprise, Chennai.

2. IHS, Chennai.

3. Omega, Chennai.

4. Teleessence, Chennai.

5. SVL infotech, Chennai. (Number of respondents: 40)

**Medium size IT/ITES-BPO companies**


8. E-care, Chennai.


10. Allsec technologies, Chennai. (Number of respondents: 57)

**Large size IT/ITES-BPO companies**

11. X changing, Chennai.

12. Millennium software productions, Chennai.

13. HCL, Chennai.


15. TATA Consultancy services, Coimbatore and

16. Sutherland global services, Coimbatore. (Number of respondents: 65)

Data have been obtained from fourteen companies located in Chennai except Sutherland Global Services and TATA consultancy services located in Coimbatore.

**4.9. CONCLUSION**

The research methodology has covered all the necessary research guidelines to obtain relevant data to analyse the research objectives. The opinions/information from the Experts of the IT/ITES-BPO sector are also taken into consideration during the research.