CHAPTER 6

CONCLUSION AND FURTHER RESEARCH

6.1 Introduction

The startling surge of attrition at all levels in the BPO industry since the year 2004 opened up an unexplored arena for research. It motivated many researchers to work on BPOs, and related areas like stress and attrition in the industry, growth of the industry and employment opportunities that it was breeding. Various works done on BPO unearthed details about attrition, prevailing employee satisfaction, existing stress and also about the growth of the industry. On closely monitoring all the work done and all the relevant literature in this field, it was found that not much of an exhaustive and structured work was done collaborating attrition and retention with respect to employee motivation, employee involvement, employee satisfaction etc in the BPO industry. Owing to this lacuna, the research aimed at intensely exploring the issue of attrition and contributing to retention in the BPO industry in India. It endeavored to find out the causes of attrition through secondary and primary data, identify factors for retention and propose a model for employee retention. The study was carried out in the NCR region on a span of two years which included data collection as well as analysis. The findings of the study are quite remarkable and have immense implications for the BPO industry. This chapter highlights the research methodology, summarizes the conclusions, states the implications of the research, enlists the recommendations, and puts forward the future scope of the research.

6.2 Research Methodology

The research had three components and thus, a systematic and organized methodology was obtained for the same. A survey instrument was specifically designed to obtain the required information. The population for this study comprised of employees working in various BPOs in the National Capital Region. A sample size of 500 was taken for this study. Simple random sampling technique was used to gather data from the respondents. 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. Main data collection began in the month of July 2008. Statistical Package for the Social Sciences (SPSS) version 17.0 was religiously used for the statistical analyses. Various statistical tools were used to analyze data like descriptive statistics to quantitatively summarize the data; factor analysis to extract factors of attrition and retention; t-test and Duncan’s mean test to compare means of the dimensions across various categories; correlations to find out the relationship between two variables; regression to find out the determinants of a dependent variable. With the help of these tests, the data was successfully analyzed.

6.3 Summary of Conclusions

The objectives of the research were the following:

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

In the purview of these objectives, an extremely scrupulous and conscientious research was carried out in the BPO sector. After the in-depth and comprehensive study, the following conclusions were arrived at.

6.3.1 Vicious Circle of attrition in BPO industry

Objective 1. To identify and rank the factors of attrition in BPOs based on accumulative literature review and secondary data.

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 NCR. 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. 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. Thus a vicious circle is formed. 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. 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.

6.3.2 Exploring the dimensions of attrition in BPOs

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

The first 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.

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. 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.

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.
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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.
6.3.3 Exploring the dimensions of employee 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.

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.

6.3.4 Regression Model for retention

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. 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.
6.3.5 Model Validation

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.

6.4 Analogy with established theories

The regression model for the retention of employees in a BPO explains two important factors i.e. intrinsic motivation factors and involvement factors. This result is robustly analogous with all the prevalent and established theories of motivation viz. Herzberg’s theory, Maslow’s theory, Alderfer’s Theory, McClelland’s Theory. According to all these theories, the higher order needs revolve around self esteem, or self-actualization in one way or the other. According to Maslow’s theory, the higher-level needs are self-esteem and self-actualization. Only when one need is satisfied, another higher-level need emerges and motivates the person to do something to satisfy it. A satisfied need is no longer a motivator. Only the next level of needs in the hierarchy will act as motivators. Once a level of needs has been satisfied they no longer act as motivators and the individual then directs attention towards the next level of needs in the hierarchy. Herzberg draws a parallel with Maslow’s theory but with a subtle difference. According to his theory, motivator factors are factors that are intrinsic to the job, such as the content of the work itself and the availability of opportunities for responsibility, advancement and recognition for achievement. The
motivator factors, which Herzberg described as “complex factors leading to this sense of personal growth and self-actualization”, would then be able to act on that employee and increase job satisfaction and productivity. Thus, according to this theory, in order to motivate workers towards higher productivity, it is important to ensure that the motivators are utilized to arouse the instinct of the employees. Herzberg’s motivator and hygiene factors can be mapped onto Maslow’s hierarchy of needs with the motivator factors corresponding to the higher order needs of ego and self-actualization. Next, according to Alderfer’s ERG theory, growth needs involve the intrinsic desire for personal development and include the intrinsic element of Maslow’s esteem category as well as self-actualization needs. Finally according to McClellend’s theory, people with a high achievement need have a compelling drive to succeed. They strive for personal achievement rather than rewards and have a desire to do something better or more efficiently than it has been done before. They seek situations where they can attain personal responsibility for finding solutions to problems, where they can receive rapid feedback on their performance so they can tell easily whether they are improving or not, and where they can set moderately challenging goals.

The established theories correlate motivation with performance and productivity. The study done here finds the correlation between motivation and willingness to continue in the organization. It is an established truth, that if the employee feels intrinsically motivated to work and also engenders sense of belongingness and involvement with his work, he is likely to stay longer with the organization. The intrinsic motivation factors take account of the feeling of self-fulfillment, prestige inside the organization, opportunity for advancement, opportunity for growth, authority connected, feeling of self-esteem, role at the current job position and opportunity to help others. Factors like self-fulfillment, self-esteem, prestige, advancement, growth and authority are closely connected with the higher order needs of Maslow and Herzberg and growth needs or need for achievement by Alderfer and McClellend respectively. Figure 17 gives a pictorial representation of the close correspondence of the various need-based theories and the intrinsic motivation factors responsible for retention of BPO employees. Thus, in a BPO job, in order to retain employees it is important to infuse the sense of fulfillment and esteem, by giving recognition, independence, job variety, expanding the span of their control. Their career graph has to be judiciously managed so as to provide them with a lucid picture of their growth and sustainability in the organization. Authority renders empowerment and empowerment inspires a positive feeling for the job and organization to the employee. All these factors, along with ingraining a spirit of involvement in the employee, can actually be utilized to retain the employees for a fairly longer term.
Figure 6.1: Summary of the result analogous with the established theories
6.5 Implications of the Study

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. It is not just about retaining one single or a group of employees but it is about the future of retaining competitive sustainability of most effective manpower-key asset of any organization. Many organizations have understood the value of human asset of an organization, but only few have worked towards it. In most organizations retention strategies are paper struck but neither are they applicable in the purview of employee desk nor are they translated into actions. The reason can be many. Such strategies are sometimes not communicated appropriately to the employees; they are sometimes unachievable, and often non-executable.

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. Some of the software and IT-based companies have taken specific steps to increase employee retention. As an HR manager of a U.S.-based software company states in a study [64]:

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We do have various schemes and incentives, etc. One is that we use “fast track programs.” Here the potential performers, good performers, get moved on to a fast track, and fast track essentially means that you may jump levels, you may get higher responsibilities than many others. Another is what we call the “hot skills program.” Here people with skills which are very much in demand in the market get paid better than others, and the list of the skills gets published every year, people can acquire those skills and move into that segment. These programs have helped us a great deal.

**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.

6.6 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.

Talking about concrete retention strategies, a win-win model can be proposed for retaining employees in a BPO. These strategies are based on the findings of our current study. Owing to the two very important factors i.e. intrinsic motivation and employee involvement, a win-win model can be chalked out that caters to both the employer as well as employee. Needs of the employer includes getting maximum returns from each employee, recovering training and development costs, minimizing cost in terms of time in training new workforce, and ensuring proper manpower planning. Needs of the employee includes getting an enriched job profile, a
better career path, challenging work environment, future prospects of the job; in a nutshell a job that satisfies his overall needs as discussed earlier.

**The Win-Win Model**

The Win-Win model is conceptualized on the supposition that the employees need to be managed and retained at each level such that probability of their quitting is reduced to the minimum. Plans may differentiate on the basis of tenure into short and long term as well as on the basis of usage into mitigation and contingency.

**Short Term Mitigation Plan**

**Break Even Period**

One of the objectives at this level should be on retention for a specified period of time (break even period) so as to recover the cost incurred on the employee. This should be formally included as a process such that the organizations include this in consideration while recruiting candidates. Break even period here refers to the minimum stipulated time for which an employee must be retained so as to recover the cost of training and expenditure incurred on the employee. This may include factors like his average salary, training cost, expenditure made on the employee, commission paid to recruiting agencies, revenue generated by each employee. Similarly, many other heads can also be included in the calculation of the break even period. This will ensure that the employee stays with the organization at least for the time so as to recover the amount spent on him.

**Small Tenure Bonds**

Once this period is calculated, strict actions can be taken to ensure that employees do not leave the organization before completion of this minimum timeframe. One such measure is getting a bond signed between the employee and the employer and making the employee pay an exit penalty if he so withdraws before the expiry of the contract.
Short Term Contingency Plan

This plan will focus on the work environment that enhances employee motivation for the job. It includes work conducive and fun filled environment, informal work culture suiting to the needs of the young employees. This is essential for compensating the affected social life owning to the nature of the job. Certain measures that can be included are having crèche in workplace would also help for the same, flexible salary structure, variable pay package based on performance, working from home' when required for a short term, providing job rotation amongst department such as quality, operation etc on a periodic basis such that employees get bored with the same monotonous work.

Long Term Mitigation Plan

The long term mitigation plans are steps taken by the management to minimize the impact of attrition such that the firm does not face losses on the long term basis. Defining job roles would help in mitigating the effects of attrition. Clear documentation of the process and the jobs performed so that the process is not dependent upon an employee. Succession planning for the critical positions in the organization for faster replacement is yet another way to ensure minimum impact of attrition. An assessment and certification can also be helpful in creating an employable talent pool with benchmarked-requisite skill for frontline management.

Long Term Contingency Plan

The long term contingency plans are attempts by the industry to reduce the attrition as a whole. To minimize the training costs, the industry needs to work with the government to introduce courses at private levels, which are in line with the requirements of the ITES-BPO industry. To reduce poaching of employees within the industry bilateral agreements between companies should being signed. Basic norms are being put in place and code of ethics is being stressed upon by industry. A common database should be maintained by all the players of the industry to ensure that they are not cannibalizing each others resources. The industry should look at Tier II and Tier III cities, where it can move its operations. These would increase the resource pool as well as would minimize the attrition. Awareness needs to be spread in these cities about the industry through advertisements. Focus should be on having education and ongoing learning for
the workforce, sponsoring employees on post-graduate programs and treating applicants and employees in the same way as one treats customers.

6.7 Limitations and scope for further research

The research study is limited to a few aspects. Firstly, the study has considered only limited variables while assessing attrition, retention, and other perceived attitudes of the employees. Secondly, measuring attitudes of respondents is quite subjective. Although great care was taken for precision, yet there may be certain gaps which need to be rectified. Thirdly, the model needs to be tested on a larger dataset. Although dozens of letters were sent out to companies asking whether they would be willing incorporate the recommendations and take part in the research, only a few small scale organizations have so far agreed to do so. Perhaps many felt that the domain of attitudes like involvement, motivation and satisfaction of their workforce (or perhaps lack of it) was a sensitive area and believed that it would reflect poorly on the organization. However, if more variables are taken into consideration, and if the questions used to measure the respondents’ attitudes toward work are re-evaluated and adjusted, a better result can be attained.

It should be noted that the study was conducted in the National Capital Region (NCR) of India. Further research can be conducted by adding a couple of facets to it. The study can be replicated in other sectors where attrition has become a common problem. IT industry has close similarities with that of a BPO industry with an equally alarming rate of attrition. Similar study can also be done in sectors like hospitality, infrastructure, retail, education etc. as intrinsic motivation becomes a pillar for performance, loyalty and eventual sustenance almost everywhere.