CHAPTER VI

Conclusion
CONCLUSION

Here an attempt is made to recapitulate the major findings of the study, to recommend suitable suggestions on the basis of the findings and also to give directions for further research. The present study on “EMPLOYEE MOTIVATION – AN ANALYTICAL STUDY WITH REFERENCE TO THE ITES-BPO INDUSTRY” was carried out with the following specific objectives:

• To contextualize the emergence of ITES-BPO industry in India and to analyze the nature and composition of human resources in the ITES-BPO industry.

• To explore the correlates of motivation and/or demotivation of ITES-BPO employees and to enquire into the causes of growing dissatisfaction/frustration among the ITES-BPO employees.

• To examine the effectiveness of the HR practices adopted by ITES - BPO units having a direct bearing on the motivation/demotivation of ITES-BPO employees and to suggest measures to improve employee motivation in the ITES-BPO industry.

The study is based on the empirical evidence collected from ten sample ITES - BPO firms (five Indian MNCs and five foreign MNCs) and 406 employees constituting 1 per cent of the employee population under study. The researcher has used the Purposive Sampling Method to select the ten ITES-BPO firms. The study is conducted in the State of Karnataka.
6.1 Summary of the Findings

The major observations and findings of the study are:

- The variables 'Adequate training for the current job,' 'Provision of as much ongoing training as needed,' and 'The training and development program of the company in general' have a significant and positive association with the satisfaction of the respondents towards the induction and training program.

- The variables 'Variety in task', 'Shift timings' and 'The number and duration of breaks' significantly influence the satisfaction of the respondents towards the job description. While the variables 'Variety in task' and 'The Number and duration of breaks' are positively associated, the variable of 'Shift timings' is negatively associated with the satisfaction of the respondents towards the job description.

- The variables 'Adequacy of the salary package for the work done,' 'Competitiveness of the salary package,' and 'Incentives and salary hikes' have a significant and positive association with the satisfaction of the respondents towards the salary and compensation package.

- Only the variable 'Competitive and transparent work environment' has a significant and positive association with the satisfaction of the respondents towards the working conditions/environment and relationship with peers.

- The variables 'The encouragement to speak freely at meeting/encouragement for open communication' and 'the supervisor's concern about the professional and personal growth' have a significant and positive association with the satisfaction of the respondents towards the relationship with superiors.
• The variables ‘Transparency in the appraisal system’, ‘Employee participation in appraisal system’, ‘The objectivity in the appraisals’, ‘Recognition of special initiatives and efforts at the time of appraisals’, ‘The accuracy of the previous appraisals’ and ‘Viewing appraisals as a motivating tool’ have a significant and positive association with the satisfaction of the respondents towards the performance appraisal system.

• Only the variable ‘Promotion policy is fair and transparent’ has a significant and positive association with the satisfaction of the respondents towards the promotion policy.

• The variables ‘If I do good work, I can count on being promoted’, ‘I am adequately recognized for my good work’, ‘I am encouraged to take new initiatives/risks’ have a significant and positive association with the satisfaction of the respondents towards the reward and recognition policy.

• The variables of ‘Company policies and procedures are open and transparent and create a positive work environment’, ‘Company is very open to ideas and suggestions given by the employees’ and ‘The company lives up to the promises made’ have a significant and positive association with the satisfaction of the respondents towards the organizational culture.

• The variables ‘I have a clearly established career path’, ‘Viewing BPO sector as a long-term career option’ and ‘Having a dynamic career path is a must in order to retain the outstanding and highly-performing employees’ have a significant and positive association with the satisfaction of the respondents towards the career development initiatives.

• The correlates of ‘Satisfaction with the induction and training program’, ‘Satisfaction with the working conditions/environment’, ‘Satisfaction with the
promotion policy', 'Satisfaction with the reward and recognition' and 'Satisfaction with the career development' have a significant and positive association with the satisfaction of the respondents towards their overall level of satisfaction.

- Based on the factor analysis, the factors of job security, personal life, status, achievement, recognition for good work, opportunity for advancement, opportunity for growth, added responsibility, work itself, open and honest communication have emerged as the motivating factors for the employees of the Indian ITES-BPO industry and factors of company policy and administration, quality of supervision, inter-personal relationship with peers, inter-relationship with supervisors, inter-relationship with subordinates, salary, working conditions, personal human relationship, good corporate and brand image, global work environment can be considered as the hygiene or maintenance factors.

Effectiveness of HR Strategies for Employee Motivation in Indian ITES-BPO Industry

- With regard to the effectiveness of the recruitment/selection procedures and whether it serves the purpose of the company, a majority of seven (70 per cent) firms report that their recruitment/selection procedures are highly effective and they serve the purpose of the company and three (30 per cent) firms report them to be somewhat effective.

- With regard to the effectiveness of the salary and compensation package in retaining and motivating their employees, the rating by the firms is at 86.0 per
cent, which implies, on our scale, that the firms consider that their salary and compensation package is 'highly effective' in retaining and motivating their employees.

- With regard to the effectiveness of the communication system in retaining and motivating the employees, the rating by the firms is at 88.0 per cent, which implies, on our scale, that the communication system is considered as 'highly effective' in retaining and motivating the employees.

- With regard to the effectiveness of the reward and recognition policies in retaining and motivating the employees, the rating by the firms is at 88.0 per cent which implies, on our scale, that the firms consider their reward and recognition policies as 'highly effective' in retaining and motivating the employees.

- With regard to the effectiveness of organizational culture in retaining and motivating the employees, the rating by the firms is at 90.0 per cent which implies, on our scale, that the firms consider their organizational cultures as 'highly effective' in retaining and motivating the employees.

- With regard to the effectiveness of the performance appraisal system in retaining and motivating the employees of the firms, exactly five (50 per cent) firms report that their performance appraisal system is 'highly effective' in retaining and motivating the employees, four (40 per cent) firms report that it is 'somewhat effective' and only one (10 per cent) firm reports that it cannot say anything in this regard.

- With regard to the effectiveness of the promotion policy in retaining and motivating the employees of the firms, exactly five (50 per cent) firms report that their promotion policy is 'highly effective' in retaining and motivating the
employees, four (40 per cent) firms report that it is 'somewhat effective' and only one (10 per cent) firm reports that it is 'not sure' on this issue.

- With regard to the effectiveness of the superior-subordinate relationship in arresting attrition, four (40 per cent) firms report that it is 'somewhat effective', three (30 per cent) firms report that it is 'highly effective' and three (30 per cent) firms report that they are 'not sure' on this issue.

- With regard to the effectiveness of the career path of the organization in retaining and motivating the outstanding and highly promising employees, five (50 per cent) firms report that it is 'highly effective', four (40 per cent) firms report it to be 'somewhat effective' and only one (10 per cent) firm reports that it is 'not sure' on the issue.

- With regard to the effectiveness of the executive development programs in retaining and motivating the employees, a majority of six (60 per cent) firms report that it is 'highly effective', one (10 per cent) firm reports it to be 'somewhat effective', one (10 per cent) firm reports it to be 'somewhat ineffective' and two (20 per cent) firms report that they are 'not sure' on the issue.

6.2 Suggestions

Based on the observations highlighted above, a few suggestions are indicated here to improve employee motivation in the ITES - BPO industry:

- The BPO firms may state the true picture of the organization well before recruiting. The various opportunities available for career growth, the kinds of processes involved, the performance appraisal system being followed, the
promotion and other career opportunities available should be made clear right at the time of recruitment.

❖ The overall compensation and benefits package should be competitive at all levels for the service provider to maintain its declared market positioning. The companies may adopt a job complexity grading process that uses a predefined set of criteria that may include factors such as shift timings, stringent service levels, process complexity learning curve and similar other factors to arrive at required compensation differentials that prevent de-motivation.

❖ It is the responsibility of the HR to see that every employee is very clear about the performance appraisal system. The appraisal system should be timely, participatory, transparent, objective and should not be impersonal i.e. there should be an opportunity for the personal involvement of both the reporting officer/supervisor and the employee.

❖ Promotion policy and the bases and procedures for promotion in the organization have to be very transparent. It may be based on his/her stay in the organization as well as on a performance-based component. The companies should maintain standard guidelines for promotions and growth, and there should be no scope for favoritism.

❖ Every company needs to have a grievance redressal mechanism through which all the grievances of the employees are properly handled.

❖ A transparent and objective reward and recognition scheme is a sure way of motivating an employee. The employees should feel that they are valued and adequately recognized for the good work, that their opinions matter in the company. They should be encouraged to take new initiatives/ risks and they should have the freedom to make decisions.
❖ The company's policies and procedures have to be open and transparent and they should create a positive work environment. The company should be very open to ideas and suggestions given by employees. There has to be adequate transparency in the management. The company should live up to the promises it made in its advertisements.

❖ There has to be a clear career planning for the employees. Each and every employee should know how his/her career can shape up with the growth of the firm. The employee should be made known as to how he/she grows when the company grows and that to make the company grow and fill up new positions, he/she has to grow and add value to himself/herself. Focus should be on lateral movements along with vertical and on educating the employees.

❖ The BPO industry set its foot on India in the ‘90s with medical transcription, followed by call centers and other non-voice processes. However, these are considered to be low-end jobs with less scope for professional growth. Now, we are moving towards what is called Knowledge Process Outsourcing (KPO) implying highly technical and knowledge-related tasks that provide technical and functional services to global giants. Data search, integration and management, market research, equity research, actuarial analytics, engineering design, animation and simulation, medical content and services, remote education and publishing, R & D, Biotech and Pharmaceuticals, etc. are the new areas which need talented people. There will be lot of demand for professionals and for people with domain knowledge like doctors, engineers, Ph.D.s, C.A.s, MBAs, etc. Here, the BPO industry can go up this value-chain and thus can do a lot in creating a workforce of world-class standard since
they have the talented employees with them who can be trained and developed so as to enable them to find a suitable position in the KPO sector.

- The society still considers BPO to be “low brow”, thus making it difficult to attract the best talent. The industry will have to do a lot to change the perception of the people so that the industry can be treated as a serious career by the society. In simple terms, the industry should think of promoting strong brand equity.

### 6.3 Areas for Further Research

With regard to the scope for further research, the following areas are suggested by the researcher:

- The primary data for the present research was collected during a period when the whole world was reeling under the pressure of global recession, and hence, a research in the same area after the recovery from recession is suggested which will help validate or nullify the present findings.

- The study was based on a small sample of ten large firms, and hence, there is a scope to study covering more number of firms giving proper representation to small, medium and large firms operating in the industry.

- A comparative study of captive and third party firms is suggested.

- A case study research on any one of the firms can be developed so as to have an in-depth view of the area of motivation.

- The different statements qualifying as the sub-variables under the major variables do not account for 100 per cent of the satisfaction of the respondents towards those variables. Hence, a kind of ‘gap analysis’ is suggested to find
out the other variables not covered under this study but which have their own influence on the satisfaction of the respondents towards those major variables.

- A cross-national study in this industry is recommended to understand the country-wise differences. More importantly, a study in the same area but across different industries is highly suggested by the researchers as it would help establish whether there is any similarity among the employees working for different industries with regard to the issues studied here or whether the BPO industry is unique in itself.

6.4 Conclusion

The ITES-BPO industry has to come to stay in Indian economy for a long time to come. It is evident that the whole world is convinced today that outsourcing is unavoidable in the present context of globalization and resultant global competition. India has earned in recent years the distinction of being the most favored Business Process Outsourcing (BPO) destination of the world. That is why, the people of India have to accept it as a fact of life and quickly adapt. This industry has tremendous scope for job creation and, as such, should be given the due attention it deserves. The sector may be seen as a boon for the unemployed population of India. In this context, the present study has made an honest attempt to study and analyze the correlates of employee motivation among the employees who are currently working for the ITES-BPO industry. The present study has been successful in accomplishing its objectives and it makes the following contributions to the existing literature: (a) It has contextualized the emergence and growth of ITES-BPO industry in the world in general and in India, in particular; (b) It has analyzed the nature and composition of
human resources in the ITES-BPO industry; (c) It has presented the dynamics of HR systems and policies in the ITES-BPO industry; (d) It has explored the correlates of motivation and/or de-motivation of ITES-BPO employees, (e) It has, to some extent, made an attempt to apply the Herberg’s theory of motivation in the context of Indian ITES-BPO industry, (f) It has examined the effectiveness of the HR practices adopted by BPO units having a direct bearing on the motivation/demotivation of ITES-BPO employees, and (g) Finally, it has suggested some measures to improve employee motivation in the ITES-BPO industry.

Although the respondents in the present study report positively on the various variables being used to study their perceptions towards those variables, there certainly appears to be a scope for improvement in the existing system within the Indian ITES-BPO industry. The entire HR system in this industry may be made simple and supportive of the employees’ development and learning. The firms may identify the weaknesses and strengths as well as the opportunities for improvement and skill development of the employees so that they can develop as better performers in future and carve a career for themselves in the industry. Again, the individual employee may, frequently, be involved in the process of his/her goal setting and also in discussions on his/her career prospects. Perhaps, a more participative approach in this direction could be beneficial in motivating the employees to stay and perform better for many years in their respective organizations of the Indian ITES-BPO industry.

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