CHAPTER 5

CONCLUSION

5.0 The Key Research Question Answered

In order to answer the key research question, eight research hypotheses were tested. The key research question addressed in this thesis was “Is there a possibility by proactive HR initiatives to manage job hopping and employee turnover in the telecom industry in Tamil Nadu?” A two-way approach was taken to answer these questions. Firstly, a questionnaire survey of the employees was carried out to quantitatively answer the questions and to verify the hypothesized relations.

Second, a review of the secondary literature available on the subject undertaken by various social scientists, researchers was studied and their qualitative and quantitative outcomes were carried forward to understand the social phenomena and its impact on individuals, organizations and the society at large. The result of these findings provided strong evidence of the presence of job hopping tendencies by employees. The different perspectives of individuals, groups and organizations were understood to suggest measures to tackle this issue and relevant tests were performed for establishing a positive relationship between the seven variables.

Thus, it is possible to characterize that organizations that commit to long range efforts in employee development, provide excitement on and off the job, hold on to employees for a longer duration as compared to others. A review of the secondary data revealed that job satisfaction, scope for innovation at work, skill development opportunities, progressive HR policies and practices can surely hold on to job
hoppers for a longer duration and expect higher levels of productivity. The investigation provided evidence for the presence of dimensions of job satisfaction, progressive HR policies and practices, differential treatment for top performers, continuous skill development, as possible factors that could help the intent of staying longer in an organization. The literature review also reveals that there is a growing body of knowledge with references to numerous studies from 1970’s onwards, concerning employee turnover in organizations. Various perspectives, concepts, theories and models were put forward and an attempt was made to further strengthen the well established foundations within the perspectives of this research.

5.1 Impact of Job Hopping and Employee Turnover on Individuals, Groups, Organization and Society

Emotions are contagious at the workplace and individual behaviors impact groups and the organizations in totality. Group behavior is shaped by the attitudes and behaviors of the individuals. From the study of the various models and range of past studies it is very pertinent to note that job hopping impacts at various levels i.e., individuals, groups, organization and the society.

Frequent job changes results in disturbing the eco-system in the family. Movement from one place to another, calls for adjustments on various fronts, building new relationships which could be stressful. Every new assignment would involve a gestation period, learning and contributions for making a mark, which means work related stress, which could also spill over to the family. The society is also impacted by the job hopping trends in terms of delayed marriages, couples living away from their spouses and children, individuals living away from the home, their eating habits, health and welfare are all impacted. Lack of stability at work also impacts non work
values and attitudes. Broken marriages owing to lack of job stability or delaying the
decision to raise a family etc., are all factors that are impacted by job hopping trends.

Too frequent job changes result in mid-career crisis, resulting in reduction or no
options after 12-20 years of work experience and precipitating early retirement or
change in vocation, profession or career paths. Short-term pay-offs have long-term
negative results and job hopping trends have cascading impact on society. Mid-
career crisis result inability to pay back loans, borrowings or plan for investments in a
house, increase in medical costs owing to break in health policies, etc. Spending
patterns and economic status of individuals are altered by the job hopping trends and
the current status of employment of individuals. Stability at work or in employment
drives home long term results and well being of individuals, organizations and the
society at large.

Frequent movement of employees has an impact on the continuity of business
operations, productivity of employees, opportunity, hiring, training and induction costs
etc. Whenever employees leave an organization they carry with them the historical
knowledge, functional and cultural knowledge of the organization, which takes a long
time to replenish. Employee turnover surely impacts customer delivery and delight.
Employee turnover increases the payroll and retention costs and thereby impacting
the profitability of organizations. Job hoppers put employers on the back foot with
defensive HR policies which hold on to employees with the help of golden handcuffs
(which indicates retention is always linked with bonds). Organizations implementing
short-term measures on the people management front are unable to roll out long-term
strategies, owing to frequent movement of manpower.
Organization’s growth and success would largely depend on stable, motivated and highly engaged employees. Organizations with controlled attrition and employee turnover rates are normally more successful and consistent than the rest and hence this social phenomenon impacts the long-term interest of the employees, organizations and the society at large.

5.2 Directions for Future Research

Similar studies could be undertaken for a larger audience i.e., covering the whole of India. Since bulk of the responses were gathered from participants below the age group of 35 years or below 12 years of work experience, it would be relevant to organize an industry- company sponsored study which covers middle, senior and top management to further strengthen the outcomes of the current study.

The current trends and context could have impacted the outcomes partially since the current time frame has seen the industry going through a difficult phase. A similar study in a much more robust economic situation could produce further insights. Research involving more complex variables and linkages could be undertaken to further assess the impact. A study involving all the constituents be it Government, equipment manufacturers, outsourced and managed service partners could be undertaken to have a larger perspective of this social phenomenon. It would also be appropriate to include non work domains part of the future research to study its impact across the country.

5.3 Theoretical and Empirical Contributions

As part of the study various employee turnover models have been researched and insights have been gathered to co-relate with the primary research findings. There is a common trail in all the trends and the empirical contributions are relevant to the
current context. The empirical contributions could significantly aid management, leaders and HR managers in the organizations to further strengthen their people agenda, to manage the impact of this social phenomenon. These empirical findings provide for various insights which could be used to tailor-make HR strategy in the organizations for better performance and results. The research contributions are relevant from the context (present time frame) since the industry is going through a very difficult phase on four counts.

- Regulatory
- Market conditions (Drop in revenues)
- Technology Trends
- Attrition and Employee turnover

Respective organizations can take the essence of this empirical research work for strengthening their people practices. The model proposed by the researcher based on the research undertaken and on it findings is reproduced below (Figure 25).

**LRK’s Job Hopping Model (2012)**

![LRK's Job Hopping Model](image)

**Figure 25: LRK’s Job Hopping Model**
Interpretation of the Model

- Organizations need to structure their compensation and benefits to be attractive and competitive.
- Provide adequate training on the job and skill development post settling down of the employees, to bridge the gap between the employee’s performance and the expected standards.
- Flexible and progressive HR policies will provide an upward thrust to the employees in scaling their performance and provide a superior contribution with higher levels of discretionary efforts.
- This will ensure job satisfaction and provide a sound platform for innovation and risk taking and experimentation at work.
- Differentiate the top performers, critical resources and HIPO’s and reward and recognize them suitably based on their relative performance. This will create a performance culture in the organization and also create stickiness for the employees to stay back.
- Offering them job rotation-enrichment and career mobility will enhance the chances of them staying longer. This model for employee retention is developed based on the findings of this study and also has several linkages with the range of past studies discussed in Chapter 1.

This piece of research has established the clear linkage of job satisfaction and the employee’s intention to stay. Job satisfaction is impacted by a range of reasons not restricted to the perspectives covered in this study. The knowledge workers in the present day world are looking at continuously upgrading their skills and competencies and therefore look forward to support in this connection. Failing to do so by employer’s, results in dissatisfaction and exit of employees. Lack of reward and
recognition or investment on training and development will trigger top performers / critical resources to exit, since they are able to generate multiple alternate job options with better terms. While pay and compensation might not be the only factor for dissatisfaction at the work place, it plays a significant role in the employee’s intention to stay. With possible alternate job options on the rise, organizations need to create stickiness by implementing progressive people practices which are flexible and provide for innovation at work.

Employers need to create an environment where employees could look forward to committing long term relationships based on trust and well being of all. Revenue per customer in rural areas, the penetration levels and the teledensity is far lower than the urban markets. It is therefore in the best interest of organizations to keep the costs very low while delivering a superior employee value proposition (EVP). This calls for identifying talent in remote and rural areas which can be trained and skilled adequately to meet business objectives. The research findings have established that the frequency of job changes, average tenure in the current organization is marginally better in ROTN when compared to Chennai.

It is therefore, suggested that hiring of talent must be localized. In this connection, it is pertinent to mention that talent may be hired from local markets and developed through structured training modules with field exposure and put on the job. Adequate training will enable up-skilling and talent development. This will increase the stickiness and intention to stay and grow. Employees belonging to the same town or village will also bring in stability. This option however, can be exercised in junior and middle management and not an option at senior management and leadership levels.

Employees from rural and semi-urban markets are also not as aspirational when compared to their peers in Chennai and hence, stability coupled with reasonable pay
and benefits would satisfy them to perform their job to expected levels. From the findings, it was gathered that the perceived alternate job opportunities were much higher in Chennai when compared to ROTN. Therefore, moving people from Chennai to ROTN may be counter-productive in some situations.

Hike in pay and benefits to individuals must be based on potential, critical attributes of the role and performance. This must be coupled with investments on skill upgradation to opt for a golden handcuff strategy. It is found that the propensity to change jobs is highest in the experience band of 1 to 15 years and hence it is relevant to explore this option for preventing job hopping.

As regards, retention of talent in Chennai, it is suggested that employees are retained with salary and other terms matching industry trends. Organization culture must create stickiness which binds the employees to stay, perform, learn and grow. Periodical job rotation, enrichment exercises, career and succession planning will enable employees to foresee a bright future and thereby commit to stay longer. Bulk of the hiring must be done at entry levels and growth must be first provided to internal job holders. Accelerated job prospects and increase in compensation proportionate to the employee’s contributions will excite people to deliver greater results. This puts pressure on all employees to follow the path of superior performance. Employee stock options, retention bonus, reward and recognition in many forms is essential for boosting the morale and motivation of top performers, to deliver superior results and commit to stay longer. No matter what technologies are adopted, the size or scale of the operations, or the state of the art infrastructure etc., it is the human spirit and its powerful impact in terms of engagement and productivity which results in superior and sustainable organizational performance.
It is clear that the organizations which are putting its employees first are able to deliver greater value for internal and external customers and also generate better business results. On the contrary, organizations which are looking at short term results and taking short cuts on the talent management front are not consistent and hence, fuelling various triggers for employee dissatisfaction and consequently, resulting in employee exits.

In addition to the above, HR policies impacts job satisfaction, motivation and moral and also a number of other factors. HR policies and processes must be developed with intent to harness the inner potential of employees, create a platform for individuals to demonstrate their skill and competencies. It must create an environment where employees must be able to commit to higher productivity, superior performance, willingness to stay and also learn and grow in the organization. It is the binding factor and as clearly seen organizations which take the effort to develop employee friendly policies have a better chance to attract and retain employees. Investing in healthy people practices creates trust and flexibility for employees to pursue their interests in the organization. HR agenda must not just cover work relationships, but also address employee’s interests outside the work domain and must also build linkages with his / her family. The key differentiation would be the intent of the employer in his relationships with the employees which would trigger employees to quit or stay.

Organizations must constantly invest in competency development by providing superior on-the-job experience with scope for skill development. Skill development clearly impacts job satisfaction and is pertinent for sustainable growth and development of employees. It is necessary to create a culture that rewards performance. It is said that the top 20% of the performers drive nearly 80% of the
results in an organization which indicates the vulnerability of losing top performers to alternate job options (India Attrition Study, 2008).

Attrition by itself is not harmful rather it is the attrition of top performers and critical resources that matter. Therefore, organizations must safeguard themselves from the brain drain of its most valuable assets by creating stickiness. The longer the top performers, critical and HIPO’s stay in the organization, the better it brings in stability, peer pressure for superior performance and healthy competition. The younger generation these days is looking for more money, accelerated job prospects and is low on stability. It is therefore, pertinent to target this population in an organization for ensuring stability of operations. Employees in the early career stages need to be trained continuously and the investments made in this regard may be considered as a retention cost. High variable salary based on performance, should govern their compensation and reward structure. Such employees should have the ability to earn more based on their superior performance. All costs incurred on employee development should be factored to create lock-in periods to prevent employees from exiting after benefiting from training. A flexible reward structure to earn more by committing and delivering more serves the organization's purpose and also forms a barrier for job hopping.

With the industry opening up and with the number of operators, it has made it very lucrative for job hoppers. The new operators are setting up their networks and quickly need to ramp up the manpower numbers to meet their business plans. In the process they are actively pursuing the critical resources and top performers besides, other employees to jump start their operations. In this regard, it is important to note that some organizations are overlooking basic norms on the quality of hiring and hence absorbing job hoppers who lack commitment on the job or to an organization.
This alarming trend is adding to the other business problems and has a de-stabilizing effect on the organization’s performance.

5.4 Organizational Directions for Focusing on Employee Retention

Innovation matters for the company and the world hence, it is important to promote innovation and be on the cutting edge of technology. Employees, customers and the organization will benefit from the strengths in leading-edge technology. Therefore it is important to offer employee friendly work–life policies and support work–life balance and flexible work options, making it easier for employees to balance their busy work with their personal lives.

Organizations must create a performance-based culture that talented people find very attractive. Believing in empowering employees as partners to success, offering a global work culture and best workplace amenities adds value. Culture can be considered to be among innovations and hence organizations must strive to provide an environment that is stimulating with high levels of motivation, empowerment, and recognition.

An organization must provide employees international careers (if relevant), offer immense scope for professional development and career growth, across technological and functional areas. Remain committed by providing learning through a series of job rotation programs and on the job development. Career growth must always be encouraged and employees must be given opportunities to challenge themselves through on the job learning and cross functional rotations. Organizations must also invest in a comprehensive market survey and data analysis to arrive at a competitive compensation structure. Provide competitive benefits and incentive packages for employees based on superior performance.
**Attrition Analysis**

The purpose of intellectual asset analysis is to determine just how precious the skill sets of departing employees are, does an individual possess critical, scarce skill sets or does the company have a deep bench in individual’s key skill areas? (CLC, 2010)

The three critical factors:

- **Human Asset Inventory** – Taking stock of relevant skill types and proficiency levels (technical skills, management traits, leadership attributes) or any other measurable capabilities of value
- **Human Asset Ranking** – Create priority list of skills in order of ranking based on importance to the organization’s goals and future strategy
- **HR Scoring** – Departing employees be graded to determine intellectual asset loss; remaining employees with high scores targeted for retention

This phenomenon has important implications for the way corporations are run. Organizations will have to make judgments about which capabilities and skills they are willing to pay above-market rates in order to retain the employees. In highly fluid labor markets where talent quickly finds its highest return, some organizations can afford to pay more for scarce skills because of their ability to leverage it better than competitors, some firms risk paying more to retain scarce talent than is economically rational. Structured bonuses may help retain skilled talent and investment on employee development will be a game changer.

Adopting certification programs as a means to extend tenures incrementally and this gamble will lure employees to attain relevant skills which will delay departures. Organizations gain stability in workforce by encouraging employees to stay long enough to acquire sufficient expertise to be able to train their own replacements.
adequately, employees gain proof of skill acquisition, which improves their market value. Financial impact of turnover is vastly underappreciated by most organizations and the hidden nature of turnover costs (lost productivity) conceals their true magnitude. In the absence of realistic cost information, organizations are generally more comfortable relying on recruiting to replace lost talent, without roll-up of the true costs of turnover (CLC, 2008).

5.4.1 Recommendations for Practicing HR Managers and Business Leaders

It is crucial to plan towards enhancing the internal communication process for establishing openness, trust and sharing of organization plans. This also creates excitement at work and encourages informal work culture. Organizations should work towards encouraging involvement of employees in corporate social responsibility and celebrate successes of individuals and groups.

It is very important to develop leaders from within and continuously scout for talent for leadership development. In this connection, sponsoring employees for higher education and certification for specific work-related knowledge and skill sets will be to an organizations advantage.

Organizations must encourage risk taking, entrepreneurial pursuits, pro-activity and aligning employee priorities to focus on corporate strategic goals and objectives. As a value proposition create a process or a culture where hiring an external resource as an employee in the organization is quality oriented and for an employee to leave must be the last resort.

Work towards pushing employees for higher engagement, and create bonding, connect with the employee’s family and enable them to share the vision of the organization, since employee engagement is a way of building ownership. A
transparent performance feedback process and performance management system will propel employees to scale great heights. Leverage technology to improve speed, efficiency and transparencies around the delivery of human resource services. Use exit interview feedback for further strengthening the internal people processes. The organization retention and reward systems must inculcate discipline, consistency, stability and positive work ethics amongst employees, which has a cascading effect across the organization.

To develop an organization culture which values individual contributions, respect for the personal – career needs of employees and to ensure well being of all stakeholders. To also create a system were all stakeholders participate in the organization development initiatives and balance reward structures which revolves around both monetary and non-monetary benefits, with clear linkage to financials.

One thing that changes everything is trust and hence all efforts must be to safeguard it. It is important to inspire employees to find their voice to discover and express their voice and search for a meaning to be associated with the organization. It should be ensured that employees leaving the organization remain connected with the organization through Alumni meetings etc.

The above inputs are quite exhaustive and forms part of the critical measures to be undertaken to safeguard an organization from brain drain and also managing job hopping tendencies within manageable levels in an organization.
An approach to identify, tackle and address employee turnover is depicted as shown in Figure 26 (CLC, 2009).

With the above recommendations, it is believed that job hopping and employee turnover could be managed appropriately to deliver superior business results and better EVP.