EXECUTIVE SUMMARY

A Study of Job Hopping and Employee Turnover in the Telecom Industry in the State of Tamil Nadu

Introduction

This research titled “A Study of Job Hopping and Employee Turnover in the Telecom industry in State of Tamil Nadu” is an attempt to understand the problems from the perspective of the organization and its employees. It aims to identify the factors for job hopping in the Indian environment more specifically to the State of Tamil Nadu (India), in the telecom service industry. This phenomenon deserves an in-depth study to ascertain the elements that initiate, sustain and aggravate job hopping. The functional and dysfunctional aspects of the phenomena have also been probed and studied.

This industry has been part of India’s growth story and continues to occupy the primary attention of job seekers and professionals for career advancement and hence was considered as a choice for undertaking the study. The State of Tamil Nadu (India) was identified to confine the study to a manageable boundary to ensure effectiveness, validity and reliability. The research efforts were directed to build up a body of primary knowledge based on inputs collected from the research participants and takes note of the internal and external factors that impact the decision of job hoppers.
Research Design

This research is a blend of theoretical and empirical work and is descriptive in nature and has been carried out with specific objectives resulting in definite conclusions. The sample was drawn from the eight employers (Airtel, Vodafone, Idea, Aircel, Reliance Communications, Tata Teleservices/Tata Docomo/Tata Communications (all group companies clubbed), MTS Mobile and Videocon), all private telecom operators representing 98% of the industry in the State. The population is approximately 4200 permanent employees {excludes associate employees, outsourced, managed services employees, consultants and retainers, trainees (GET’s/MT’s)} who are currently working in the targeted organizations. This population was used to draw a sample for studying the trends and the pilot study was conducted by administering the questionnaire on 400 employees and 144 employees responded. For this phase, simple random sampling method was adopted. The responses were adequate and the exercise was completed in a time frame of 90 days.

The research was conducted in two phases;

Exploratory phase: Referred various research papers, journals, books, internet sources, met industry stalwarts, HR managers, senior leaders from the target organizations, senior members of HR professional bodies, headhunters and recruitment consultants, exit interview analysis from one of the target organization.

Validation phase: During the validation phase the questionnaire was administered on the target sample and the research instrument adopted the Likert scale with a few close ended questions and was designed to capture responses on seven main perspectives which were validated and tested.
Data Collection & Analysis

A sample of 1120 from a universe of 4200 permanent employees (as on 1st October, 2011) was the size of the sample for the final research and a stratified sampling method was adopted. The stratified sampling method was followed as it would have more statistical efficiency. The questionnaires were distributed through email, e-survey, and also through direct interview method. In all 430 responses were received of which 12 responses were rejected, which were not meeting the response criteria, resulting in 418 clean responses at a response rate of 37% and accounting for 9.95% of the universe of employees.

The data generated during the course of the research has been utilized to test eight popular beliefs held concerning job hoppers. The various tests and analysis performed with the raw data using SPSS (Statistical Package for Social Sciences) are as under:

- Factor Analysis
- Cronbach’s Alpha reliability tests
- Chi-square test
- Pearson’s Correlation technique
- One–sample Kolmogorov – Smirnov test
- Non- Parametric tests such as Mann Whitney test and Kruskal-Wallis test
- Comprehensive Comparative Analysis of demographic data

The analysis of primary data involved Descriptive, Inferential and Predictive statistics.

Non-Parametric tests have been used to validate the hypotheses. The data from the research stands to negate one of the eight hypotheses. The findings of the research have been presented in the research report after statistical validation. Each query
has generated responses leading to employees subscribing to certain views, which has resulted in conclusive empirical evidence in the area of research.

Assumptions

This study was conducted on all the permanent employees of the leading telecom companies operating in the geography of Tamil Nadu. The employee turnover in terms of Role/Function, time spent in the organization, location, qualification, total experience, age and gender was profiled.

- The chosen sample size of 1120 employees and responses from 418 employees represents the organizations/industry in the State
- The sample includes the permanent employees and represents the universe of employees
- The data has been collected from genuine sources and the observations and conclusions are based on the first-hand information and analysis
- The study is assumed to benefit the organizations in understanding the reasons why critical resources and top performers exit, and also in controlling and reducing the impact of job hopping
- The exit interview reports (period 2009-2011) from one of the target organization was also analyzed and could be related with the findings of the study
- The study also includes a comparative analysis of the HR policies and practices of the target organizations to compare the trends
- The key questions defined as part of the study broadly covers the main challenge at this point in time
- The social phenomenon that has been probed has significant impact on the individuals, organizations and the society
Limitations

This study is limited to the permanent employees of the eight leading private sector telecom organizations operating in the State of Tamil Nadu and does not consider the managed services operator employees, outsourced resources, consultants, trainees [Graduate Engineer Trainees (GET) or Management Trainees (MT)] or retainers. The lack of published literature on the topic of research was a challenge. The literature survey provided tremendous insights on the overall trends, however, most of the past studies have been undertaken overseas (USA and in Europe). The senior leaders and HR managers were also a bit wary to share their thoughts and opinions to ensure confidentiality, which was also an impediment in some ways. Another handicap was that the organizations had multiple offices in Chennai and ROTN which made it impossible to cover the spread physically by travelling to all the places, which hindered the face to face administrating of the questionnaire. The employees were hesitant to part with the information pertaining to their organization owing to sensitivities, which was also a challenge. Percentage of senior level and top management employees who participated in this study is not significant when compared to the junior and middle management employees. Please refer to Appendix 5 for the experience profile of the respondents of the survey.

Involuntary turnover or attrition was not considered part of this study or its impact on voluntary turnover. Government operators, equipment manufacturers, managed service operators and other service operators not part of main stream have not been covered. Host of other variables and factors that go into the decision of a job hopper might not have been covered owing to the magnitude of the social phenomenon, which could be part of the effort for future research. This study also does not cover the impact of non-work domain on job hopping.
Conclusion

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 specifically relevant to this industry. The empirical contributions could significantly aid management, leaders and HR managers in organizations to further strengthen their HR agenda, and to manage this phenomenon. The responses analyzed lead to an important conclusion that job hopping decisions are not driven by only one but many considerations at the same time.

The key research question in the thesis was “Is there a possibility by proactive HR initiatives to manage job hopping and employee turnover in the telecom industry in Tamil Nadu?”

The analysis of the data and its findings enabled the researcher to address this question with the help of theoretical and empirical evidence. The empirical evidence indicates a clear linkage between job satisfaction and employee intention to stay. Job satisfaction is impacted by a range of factors be it investments in training and skill development, innovation at work, implementation of progressive HR policies and practices, reward and recognition for critical, top performers and high potential employees and finally, pay and benefits matching the industry trends. The uniqueness of the factors that go in making of the decisions on job hopping can possibly be explained in terms of the career aspirations of the employees.

The final research findings are significant in the sense that they are first hand information based on primary data. The data generated offers multiple possibilities for applying the information in a constructive manner for those who wish to see changes at the organizational and personal level or to pursue further study on the
subject. The data can also be used to develop profiles of organizations and employees to assist in coping with job hopping. The 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. A combination of primary and secondary research makes this a substantial piece of research on job hopping, which could be useful for organizations to manage this phenomenon for superior business results. This research also provides a theoretical overview of the different motives of job hopping and highlights the impacted elements of social capital in research. Multiple turnover models have been discussed as part of the review of past studies.

The real test of the information and knowledge provided through this research endeavor is in its end use for managing job hopping. While the researcher has spared no efforts in making this study as authentic, elaborate and also relate to the industry – market trends, there could be further scope for extending the boundaries of the research.
Finally, by the findings of this study the researcher hopes to provide various insights and approaches that could be adopted for managing job hopping and employee turnover, for the well being of organizations and its employees.

The model proposed by the researcher based on the findings of the study is reproduced below.

**LRK's Job Hopping Model (2012)**