Research Article

AN ANALYTICAL STUDY ON CAUSES OF ATTRITION IN BPO COMPANIES OF NAGPUR

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A R T I C L E   I N F O

A B S T R A C T

Employee attrition in aninadequate measure is enviable for arrival of original ideas in any type of organization. It supports organizations to sustain their dexterity in fast changing environment. It brings in new blood, opens up new outlooks for change, development and improvement, shows opportunities to expand operations and add to the creative lines of the organizations. Attrition in a partialamount can thus carryachievements to the organization. But if attrition rises over a certain level, the gains are changed into pains. The purpose of this study was to identify causes of attrition in the BPO sector of Nagpur, with special reference to various big and medium BPO in Nagpur. To achieve this assignment, both quantitative and qualitative research approaches have been used. Anon- experimental survey, using a semi-structured interview, was employed as the primary instrument to collect data. This was supplemented with a questionnaire and focus groups. The broad objective of this research is to identify the root causes of attrition in BPO.

INTRODUCTION

Most research in the BPO sector has addressed only specific problems related to its environmental analysis like challenges, growth and opportunities, the problem of attrition, the HRM systems, and issues of job stress, job satisfaction, individual performance etc. Research done in the area of employee motivation and satisfaction has deliberated areas like education (Sharma and Jyoti 2008, Smerek and Peterson 2006), private public employment (Demoussis and Giannakopoulos 2007), financial institutes (Kazemzadeh and Bashiri 2005), ITES industry (Dash et al. 2008), oil industry (Okpara 2006), government ministries (Al-Ajmi 2006), labor market (Brown et al. 2007), to name a few but not much comprehensive and structured work has been done in the domain of BPO sector. Various researchers have identified numerous of reasons behind the intensifying problem of attrition and how many of them have even suggested recommendations to encounter it (Misra 2007, Prakash and Chowdhary 2004, Joshi 2004).

However, no systematic and inclusive work has been found that collaborates all the sides viz. attrition, retention, employee motivation, involvement etc. to struggle the most blazing problem of the present times i.e. Attrition.

Additional interesting thing that appeared from previous researches and focused group interviews taken for pilot survey is that dropping attrition may not always mean increasing retention.

are taken care of. Nevertheless, that does not mean employees increase their willingness to stay in the same organization. Thus different set of factors emerged for attrition and retention respectively. Looking at the big picture of the much understood potential of the BPO industry in India and the awaiting curse of attrition in this sector, it can be confidently said that the problem cannot be overlooked.

There is a terrible need of tackling the problem of attrition in the BPO sector and for this employee motivation has been chosen as an effective tool.

There is a need to develop a contemporary strategic method, an innovative development standard that can be utilized to control the ever-increasing attrition rate in the BPO sector. Thus the need for this study can be clearly defined in two points:

1. Attrition is a burning problem for the promising industry of BPO, especially because it fails to tap the full utilization of the human resources and wastes much of its time, money and resources due to this.
2. Dearth of motivation among the BPO employees is one of the bitter truths that is responsible for the attrition in this sector, and it is time it should be enhanced in the BPO sector.

RESEARCH METHODOLOGY

A systematic and organized methodology was obtained for the research study. A survey design was used to obtain the required information. The population for this study comprised of employees working in BPO of the Nagpur Region.

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Universe of study

The universe of study will include all National and International BPO companies operating in Nagpur.

City	International BPO	National BPO	Total
Nagpur	16	7	23

(Source:http://www.justdial.com/Nagpur/bpo, http://www.justdial.com/Nagpur/bpo)

The survey was restricted only to low and middle level employees of these BPO, where the attrition is highest.

Sample size

As per the Morgn's table at 95% confidence interval with 5% margin of error for the population above 1,00,000 the sample size should be 384, according to this here 430 total respondents (low and middle level employees) representing a small percentage of the population within the Nagpur city have been taken as sample for the study is justified.

Sample technique

Simple random sampling technique was used to gather data from the respondents, because of which respondents diverged from every age group, gender, organization, marital status etc

Moreover, only selected facets of job characteristics have been considered for the study. There are many which can be included in order to assess employe emotivation. There for ethescope of the study is limited to the geographical location of the sample size and also to the selected dimensions of personal characteristics and employee motivation.

Table Factors which motivates you the most

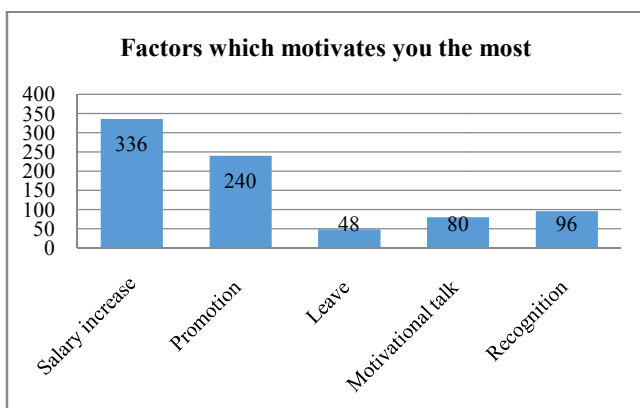| Sl no	Particular	Number of Respondents	Percentage
1	Salary increase	336	42
2	Promotion	240	30
3	Leave	48	6
4	Motivational talk	80	10
5	Recognition	96	12
	Total	800	100

Chart Factors which motivates you the most

Interpretation

The table shows that the 42% of the respondent is responding that increase in salary will motivate them the most, according to 30% of the respondents promotion will motivate them the most, 6% said leave facilities will motivate them most, 10% are of the opinion that simply motivational talk will help them to perform well in the organization whereas according to 12% of the total respondents recognition for their work will act as a highly motivational factor.

Table Incentives and other benefits will influence your performance

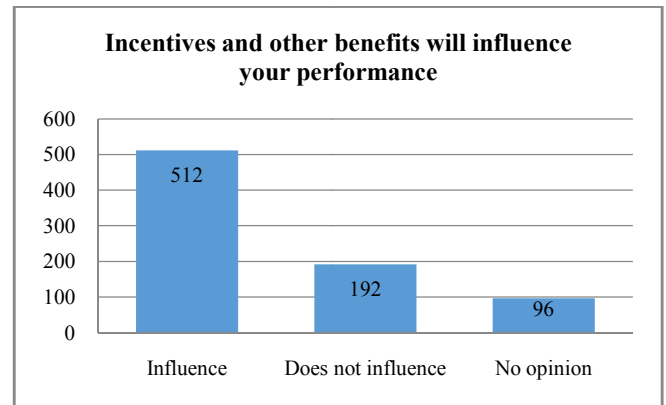| Sl no	Particular	Number of Respondents	Percentage
1	Influence	512	64
2	Does not influence	192	24
3	No opinion	96	12
	Total	800	100

Chart Incentives and other benefits will influence your performance

Interpretation

The table shows 64% of the respondents responded that incentives and other benefits will influence their performance, 24% of the respondents incentives and other benefits does not influence their performance, and 12% of the total respondents were having a neutral stance towards incentives and other benefits received from the organization.

Table Plan to look for a new job within the next 12 months.

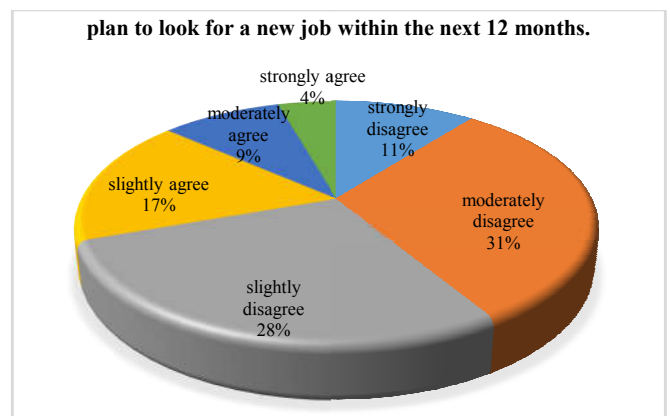| Particulars	No.of respondents	Percentage
strongly disagree	45	10
moderately disagree	133	31
slightly disagree	121	28
slightly agree	73	17
moderately agree	39	9
strongly agree	19	5
Total	430	100

Chart Plan to look for a new job within the next 12 months.

Interpretation

The above table says that 11% of the respondents were strongly disagree to the statement that whether they were looking for a new job within next 12 months, 31% were moderately disagree, 28% slightly disagree, 17% slightly agree, 9% moderately agree, 4% strongly agree to the

statement that whether they were looking for a new job within next 12 months.

Table Actively look for a new job outside of this firm by next year

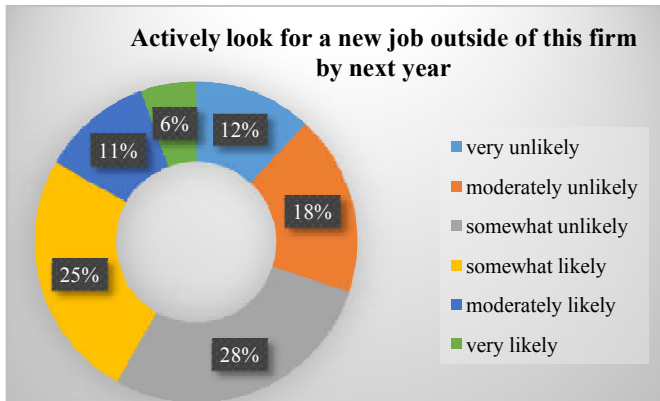| Particulars	No.of respondents	Percentage
very unlikely	51	12
moderately unlikely	78	18
somewhat unlikely	121	28
somewhat likely	108	25
moderately likely	48	11
very likely	24	6
Total	430	100

Chart Actively look for a new job outside of this firm by next year

Interpretation

The above table says that 12% of the total respondents were very unlikely looking for a new job outside of their firm by next year, 18% were moderately unlikely, 28% were somewhat unlikely, 25% were somewhat likely, 11% were moderately likely and 6% were very likely looking for a new job outside of their firm by next year.

Table Age

Particulars	No.of respondents	percentage
25-35 years	320	74
35-45 years	60	14
45-55 years	50	12
Total	430	100

Chart Age

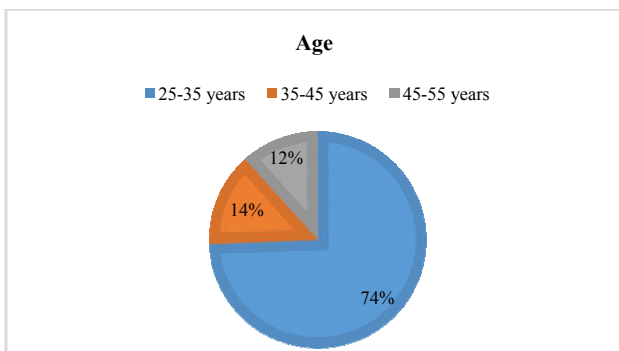### Interpretation

The above table says that maximum i.e. 74% of the respondents falls into the age group of 23-35years, followed by 14% from 35-45years and 12 % from 45-45 years.

Table Gender

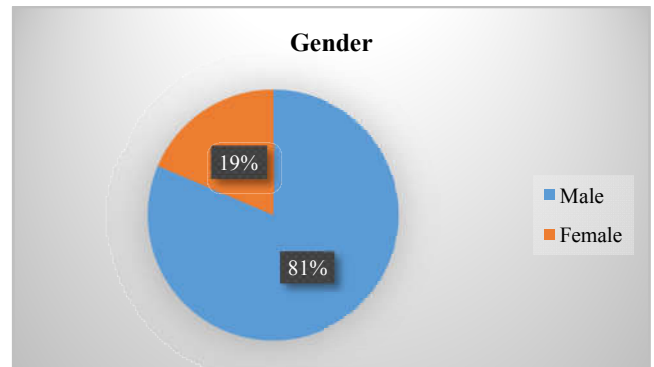| Particulars	No. of respondents	Percentage
Male	350	81
Female	80	19
Total	430	100

Chart Gender

Interpretation

From the above table we can say that 81% of the total respondents were male and remaining 19% were female.

Table Years have you worked for this organization

Particulars	No. of respondents	Percentage
Less than 1 year	78	18
1-2 years	39	10
2-3 years	75	17
3-4 years	63	15
4-5 years	126	29
More than 5 years	49	11
Total	430	100

Chart Years have you worked for this organization

Interpretation

From the above table we can say that 18% of the respondents have worked for less than 1 year with the organization, 9% have worked for 1-2 years, 18% have worked for 2-3 years, 15% have worked for 3-4 years, 29% have worked for 4-5years and remaining 11% have worked for more than 5 years with the organization.

Table Tenure in the current job

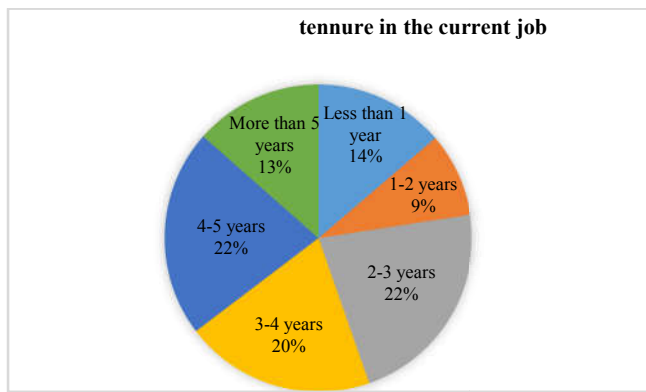| Particulars	No. of respondents	percentage
Less than 1 year	59	14
1-2 years	38	9
2-3 years	95	22
3-4 years	86	20
4-5 years	94	22
More than 5 years	58	13
Total	430	100

Chart Tenure in the current job

Interpretation

From the above table we can say that 14% of the respondents have less than 1 year organizational experience, 9% have organizational experience for 1-2 years, 22% have organizational experience for 2-3 years, 20% have organizational experience 3-4 years, 22% have organizational experience for 4-5years and remaining 13% have organizational experience for more than 5 years of experience.

Table Marital status

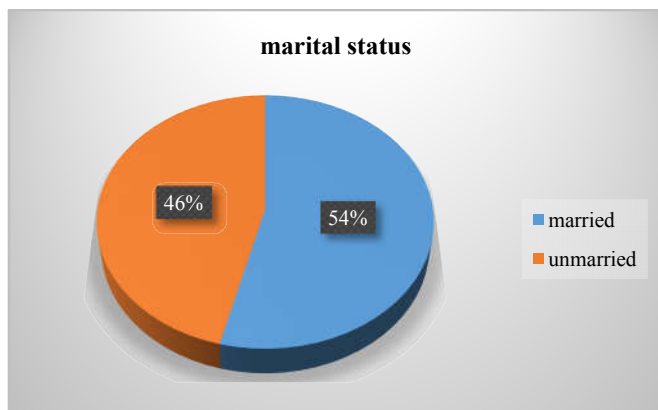| Particulars	No.of respondents	Percentage
married	232	54
unmarried	198	46
Total	430	100

Chart Marital status

Interpretation

From the above table we can say that out of the total respondents 54% were married and remaining 46% were unmarried.

H01 There is no significant difference between age and causes of attrition.

Correlation

Correlation refers to a technique used to measure the relationship between two or more variables. When two things are correlated, it means that they vary together. Positive correlation means that high scores on one are associated with high scores on the other, and that low scores on one are associated with low scores on the other. Negative correlation, on the other hand, means that high scores on the first thing are associated with low scores on the second.

Negative correlation also means that low scores on the first are associated with high scores on the second.

Pearson r is a statistic that is commonly used to calculate bivariate correlations.

From the above table we can conclude that the causes of attrition could be job as a whole, no strong sense of belongingness, no emotional attachment, no family feeling, Thoughts about quitting job cross mind, plan to look for a new job within the next 12 months, actively look for a new job outside of this firm by next year.

When the correlation between age and causes of attrition was made it was found that:

Age and job as a whole has somewhat weak correlation (0.16), age and no strong sense of belongingness has (0.11), age and no emotional attachment has (0.18), there is no relation at all between no family feelings and age, Thoughts about quitting my job cross my mind and age (-0.04), plan to look for a new job within the next 12 months and age (-0.17) and actively look for a new job outside of this firm by next year and age (-0.06).

A negative correlation is a relationship between two variables such that as the value of one variable increases, the other decreases.

From these results we can say that the null hypothesis H_{01}: There is no significant difference between age and causes of attrition, is rejected and alternate hypothesis H_{11}: There is a significant difference between age and causes of attrition is accepted.

From the above table we can conclude that the decision on employee's career is based on the following parameters happy to spend career, staying with org. necessity as well as desire, leaving this org.

Table Correlation between age and causes of attrition

	my job as a whole	no strong sense of belongingness	no emotional attachment	no family feeling	Thoughts about quitting my job cross my mind	I plan to look for a new job within the next 12 months.	actively look for a new job outside of this firm by next year	Age
my job as a whole	1							
no strong sense of belongingness	0.087	1						
no emotional attachment	0.14	0.75	1					
no family feeling	-0.02	0.21	0.19	1				
Thoughts about quitting my job cross my mind	-0.02	-0.04	-0.13	0.27	1			
I plan to look for a new job within the next 12 months.	-0.17	0.19	0.20	0.04	-0.01	1		
actively look for a new job outside of this firm by next year	-0.05	0.20	0.18	0.30	0.06	-0.14	1	
Age	0.16	0.11	0.18	0.00	-0.04	-0.17	-0.06	1

will cause personal sacrifice, too few options to leave this organization, consequences of leaving this org. Will be better alternative, difficult to leave org. now, Life will be disturbed if I leave this organization now and leaving this organization is not too costly in future.

When the correlation between marital status and decision on employee's career was made it was found that:

Marital status and happy to spend career in the same organization has weak negative correlation is (-0.19), Marital status and staying with organization is necessity as well as desire is (-0.24), Marital status and leaving this org. will cause personal sacrifice is (-0.29), Marital status and too few options to leave this organization (-0.26), Marital status and consequences of leaving this org. will be better alternative is (-0.12), Marital status and difficult to leave org. now is (0.16) i.e. weak positive relationship, Marital status and Life will be disturbed is (-0.27) if I leave this organization now and leaving this org.is not too costly in future is (0.09)

A negative correlation is a relationship between two variables such that as the value of one variable increases, the other decreases.

From these results we can say that the null hypothesis H02: T There is no significant difference between marital status and taking decision on employee's career to satisfy their

expectations, is rejected and alternate hypothesis H12: There is no significant difference between marital status and taking decision on employee's career to satisfy their expectations is accepted.

From the above table we can conclude that the causes of attrition could be job as a whole, no strong sense of belongingness, no emotional attachment, no family feeling, Thoughts about quitting job cross mind, plan to look for a new job within the next 12 months, actively look for a new job outside of this firm by next year.

When the correlation between educational qualification and causes of attrition was made it was found that:

Experience and job as a whole has somewhat weak correlation (0.07), Experience and no strong sense of belongingness has (0.25), Experience and no emotional attachment has -(0.25), between no family feelings and Experience is (0.04), Thoughts about quitting my job cross my mind and Experience (0.01), plan to look for a new job within the next 12 months and Experience (0.08) and actively look for a new job outside of this firm by next year and Experience (0.17).

A negative correlation is a relationship between two variables such that as the value of one variable increases, the other decreases.

H02: There is no significant difference between marital status and taking decision on employee's career to satisfy their expectation.

Table Correlation between marital status and taking decision on employee's career to satisfy their expectation

	marital status	happy to spend career here	staying with org. necessity as well as desire	leaving this org. will cause personal sacrifice	too few options to leave this org	consequence of leaving this org. will be better alternative	difficult to leave org. now	Life will be disturbed if I leave this org. now	leaving this org.is not too costly in future
marital status	1								
happy to spend career here	-0.19	1							
staying with org. necessity as well as desire	-0.24	0.34	1						
leaving this org. will cause personal sacrifice	-0.29	0.29	0.65	1					
too few options to leave this org	-0.26	0.29	0.48	0.50	1				
consequences of leaving this org. will be better alternative	-0.12	0.03	0.26	0.30	0.39	1			
difficult to leave org. now	0.16	-0.11	-0.08	-0.04	0.09	0.23	1		
Life will be disturbed if I leave this org. now	-0.27	0.14	0.18	0.20	0.20	0.37	0.10	1	
leaving this org.is not too costly in future	0.09	-0.10	0.18	0.19	0.15	0.27	0.10	0.18	1

H03: There is no significant difference between experience and causes of attrition.

Table Correlation between experience and causes of attrition

	tenure in the current job	my job as a whole	no strong sense of belongingness	no emotional attachment	no family feeling	Thoughts about quitting my job cross my mind	I plan to look for a new job within the next 12 months.	actively look for a new job outside of this firm by next year
tenure in the current job	1							
my job as a whole	0.073768	1						
no strong sense of belongingness	0.254729	0.08656	1					
no emotional attachment	0.257062	0.143756	0.74936	1				
no family feeling	0.04823	-0.02405	0.213322	0.192206	1			
Thoughts about quitting my job cross my mind	0.011376	-0.02038	-0.04405	-0.13065	0.266759	1		
I plan to look for a new job within the next 12 months.	0.085377	-0.17054	0.188866	0.202979	0.037388	-0.01435	1	
actively look for a new job outside of this firm by next year	0.179472	-0.05359	0.201855	0.18297	0.303397	0.064205	-0.14338	1

From these results we can say that the null hypothesis H03: There is no significant difference between experience and causes of attrition, is rejected and alternate hypothesis H03: There is a significant difference between experience and causes of attrition is accepted.

CONCLUSIONS

The responses of the participants in the study give a clear indication of how HR practices affect the satisfaction of employees and have implications for their subsequent retention in the organization. The major aspects that affect an employee, according to the findings, are job security, job descriptions, and job profiles. The desires of most employees are decentralization and reduced hierarchy in the workplace. They also desire empowerment and accountability in their areas of work.

The survey carried in the BPO indicates that employees are not quite satisfied with the efforts being made to inculcate a culture of growth, particularly through the apportionment of sufficient and appropriate office space. For this reason, employees fail to fully benefit from being part of an organizational culture and environment that facilitates personal growth. The employees have a strong desire to be given tasks that facilitate personal development and professional achievement. Such an environment, they say, will enable them to have a sense of responsibility as well as provide motivation to work well. The work environment provided by BPO industry is, according to most participants, unsatisfactory. One of the participants commented that the environment was poor because the building space in which the unit was based was not designed with future goals in mind. There was also a lack of a pleasant environment to work in, such as small office spaces and narrow corridors, offering an uncomfortable setting.

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