

## A Study on “Employee Attrition” with Reference to Indian BPO Industry: Factors and Measures

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**Abstract:** Nowadays the major problem in most of the organizations is retaining talented employees. It is majorly happening in the BPO sector due to various reasons from the employees and from the organization side. This paper seeks the factors that are leading the employees for attrition in the BPO industry with respect to India and the measures to reduce the attrition rate.

**Keywords:** Employee attrition, BPO, Job stress, Factors & Measures

### 1. INTRODUCTION OF THE STUDY

Attrition is nothing but employees leaving the organization all off a sudden due to personal reasons or due to the dissatisfaction with the job or maybe getting better opportunities from other companies. Organizations may spend a lot of time, effort and resources to recruit the people in the organizations. If employees leave the organization in a little span of time all the efforts put by the organization will be in vain. This is happening majorly in the BPO industry nowadays.

### 2. NEED OF THE STUDY

1. Nowadays, in this competitive business world employee attrition is making very big loss to every organization considerably it is high in rate in the BPO sectors.
2. Employees are the main strength to any organization attrition of those talented will be drawback to the industry, so this study focused on the various factors which are influencing the people to leave the organization.
3. The possible solutions or measures to follow to retain the talented people are also mentioned in this paper. The possible solutions or measures to follow to retain the talented people are also mentioned in this paper.

### 3. SCOPE OF THE STUDY

1. The study is confined to the secondary data based the analysis of the reviews given by various authors previously and the data collected by the some company websites.
2. In this study the factors which are influencing people to leave the organizations will be based the nature of the job related to call centers and IT related jobs only.
3. The measures which are mentioned in this study are according to my self – opinion based measures based on the influencing factors.

### 4. OBJECTIVES OF THE STUDY

1. The first objective of the study is to find the main factors that are influencing employees to leave the jobs in the BPO sector.
2. And the second objective is to describe the preventive actions need to take to retain those employees who want to leave the organization.

## **5. RESEARCH METHODOLOGY OF THE STUDY**

1. **Primary data:** Data observed or collected directly from first-hand experience is called primary data.

- Responses through questionnaires
- Conducted personal interviews with the respondents.

### **2. Secondary Data:**

Secondary data is the source of information which is already existed in journals is, books, and the company websites etc., Secondary data is collected through the:

- Company Websites.
- News papers.
- Journals.
- Textbooks.
- HR Magazines
- ❖ This study is descriptive in nature because, to present the influencing factors for the attrition of employees and measures to reduce the attrition rate in the BPO industry secondary data is used. Data is collected from magazines, journals, and some company websites.

## **6. LIMITATIONS OF THE STUDY**

1. Dues to time constrain only secondary data is used to find the factors increasing attritions in the BPO industry.
2. The factors and the measures which are mentioned in this study are related Indian IT sectors and the service outsourcing industries.

## **7. REVIEW OF LITERATURE OF THE STUDY**

From many years attrition is becoming an uncontrollable issue. All the organizations are considering working in this area but still, the rates are the same. According to Devi and Panchanatham (2010), the structure of the BPO sector is one of the major reasons for employees leaving their jobs. According to their review, there is a lack of progression in the career part of the employees in the call centers.

According to Shukla and Sinha (2013) study dissatisfaction of the job is the major reason for leaving the call center jobs. Because of the over stress, continuous review of superiors and less salary, etc., may lead to dissatisfaction of the job.

According to Prakash and Chowdhury (2013) based on their study odd working hours are also one of the reasons for increasing attrition rates in the BPO industry. As most of the clients in a call center are from other countries the employees here need to work in the late nights because of a time difference of about 8-12 hours.

Joshi, R (2004) stated in his study that unsatisfactory rewards of the employees are another factor for leaving the call center jobs. According to his study, many BPO sectors will not mention proper rewards or the benefits of the employees for their performance growth which leads to dissatisfaction among the employees or make them disinterest in work in such an environment.

Based on the study of Ananthraja A., the main reasons for attrition in the BPO sector are an unhealthy working environment like overnight working hours, lack of challenges in job because BPO jobs are routine in nature, lack of transparency in promotion and appraisal of the employees and working in BPO sectors will not be considered as experience. Hence we can say that there is no career growth for the employees.

All the researchers have mentioned the negative factors for employee attrition in the BPO sectors but Narkhede and Chaudhari (2011) pointed out their study towards the positive side. They stated that attrition in some situations is

good and useful to the organization. If the organization finds employee retention is a costly issue, then attrition is of use to the organization where employees themselves leave the organization.

All the above literature and studies mentioned the major factors that lead to the increase of attrition rate in the BPO industry with respect to the Indian scenario.

## **8. DATA ANALYSIS AND INTERPRETATION**

### **I. Factors affecting employee attrition in BPO sector:**

Attrition can be understood in two senses, one where an employee leaves the entire industry and two where he/she is just shifting into another organization. Various factors influence and force an employee to leave a job. Some of them are discussed below:

#### **1. Odd working hours**

As we all know that the BPO industry will prefer night shifts due to the foreign client's dealings. This leads to more stress for working odd hours nearly 24/7 they have to be available for the services. This leads to attrition.

#### **2. Career progression**

For any fresher, they look for a good job which adds to their experience in the future. But the job in the call center is not counted in the later stage in some offices. So this may stop their career progression. Hence whenever the employees find some new job better than this they prefer to move on and this increases the attrition rate.

#### **3. Job stress**

BPO jobs in some cases have working hours 24/7. These lengthy working hours and job stress act as constraints to the employees to remain in the industry in the long run. Most of the clients being foreigners the organization does not prefer giving holidays on Diwali, Eid, and some other festivals. Insufficient holidays and lack of free time increases the stress and employees will be ready to quit the job.

#### **4. Work environment**

The major source of dissatisfaction among the employees is the work environment and colleagues. As for most of the employees it is the first job they don't know how to utilize it properly and there are chances that they get addicted to habits such as alcohol and smoking. This is because of their peers in most of the cases who influence them a lot. The employees prefer spending their salary and they admitted that financial status depends on decision making but they did not agree that it is the reason for their addiction.

#### **5. Health issues**

As a result of odd working hours, many health issues arise in employees. Some of them are Sleeplessness, depression, fatigue, and hearing ailments are common among BPO employees. Though the job is tough the pay they receive somewhat satisfies their needs but any serious health issue may influence them to quit the job. Increased working hours and high-stress levels result in pressure and tension that ultimately may lead to depression. When the situation is uncontrollable the employee is left with no option other than quitting the job. This increases the attrition rate.

#### **6. Monotonous job**

Monotonous job refers to the job which is of repetitive nature. Here nothing is new in the tasks performed and therefore employees feel bored with what they are doing. This may lead to a rise in the attrition rate of employees.

### **II. Measures to reduce the employee attrition rate:**

The following are some of the important measures to curb the high rated attritions.

#### **1. Establish clear communication channels**

The channel of communication must be clear so as to avoid any confusion in the minds of employees and whatever they think can be communicated to their departmental heads and there should be a proper system of hierarchy.

2. Appropriate selection and placement

Attrition of employees is a loss to the organization at the time of selection itself the organization should choose the right candidates who will stay with the organization through thick and thin.

3. Opportunity to maintain work-life balance

work-life balance is of prominent importance for any employee. The organization should design measures and ensure its employees that work-life balance is possible and see that they have sufficient personal time to go with their interests.

4. Enhanced training programs

As the call center job alone does not help in the career growth of the employee in order to retain the employee's organization must develop some training programs with which the employees can be benefited and helps in their career progression.

5. Enhance recognition and reward programs

The work and efforts of the employees are to be recognized and rewarded so that it acts as a motivation to them and they prefer and work more and stands committed.

**9. FINDINGS OF THE STUDY**

1. The main reason for the increase of attrition rate is working environment of the industry.
2. Odd working hours and over observation of the superiors leading to employees to leave the job in some IT industries.
3. Based on the earlier studies most of the BPO industry will not follow proper recruitment process to hire the candidates.
4. The other drawback to the BPO sectors is people who are apply for the call center jobs mostly under-graduates and graduates who will have a planning of higher studies by doing the job 3-6 months or one year hardly.
5. The other reasons which are influencing the people in the BPO sector are health issues due to odd working hours, lack of progression in the work life and less salary practices by the organizations etc.,
6. Monotonous job is also one of the factor, means the BPO jobs are routine nature and lack of challenging in the job will also leading the employees to leave the job.

**10. CONCLUSION OF THE STUDY**

As per the recent studies the reason for employee attrition are such as more irregular working hours, lengthy shifts, job stress, repetitive work, In addition to this the BPO organizations feel themselves the jobs as non-focused and easy and they think that providing recreational facilities and excursions can help in reducing attrition rate. To attract youngsters and freshers the company projects the job of a BPO as a very good start to their career and freshers get influenced. But later they realize that it's quite tough and not satisfactory. The nature of job is monotonous and soon they lose interest. This leads them to quit not only the office but the industry itself. As there are less growth options employees do not prefer joining BPO. Furthermore, organizations requires improvement in terms of flow of internal communication, clarity of organizational policies and objectives, defined performance standards and fair performance appraisal & reward systems, recognition & job security.

**11. SUGGESTIONS OF THE STUDY**

1. The organizations need to make the working environment challenging, interesting to the employees.
2. Organizations need to ask the candidates that how long they want to work in the organization and need put a condition they need work at least one year in the job.
3. There should be a continuous appreciation need to given to the employees who are outstanding performance.

4. Continuous training need to give the employees for their career development.
5. The management need to focus on the employee relations to retain the talented people by giving necessary rewards and reorganizations to the employees.

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