

A STUDY ON CAUSES FOR EMPLOYEE ATTRITION AND THE EFFECTIVENESS OF RETENTION STRATEGIES IN BPOs, CHENNAI.

Priyanka. L

Research Scholar, Department of Management studies, SRM Institute of Science and Technology, Kattankulathur, Chennai. Email id: Priyankakanthan04@gmail.com

Dr. Shyamaladevi Balakrishnan

Assistant professor, Department of Management studies, SRM Institute of Science and Technology, Kattankulathur, Chennai

ABSTRACT

In today's cutthroat corporate world, employee attrition—defined as the decline in personnel as a result of retirement, resignation, or death—remains a significant worry. HR professionals place a high premium on managing attrition as businesses work to hold onto their prized workforce. Employers are concentrating on exceeding worker expectations to boost happiness and promote staff retention in order to solve this problem. This research attempts to pinpoint the reasons for attrition and apply retention tactics in Chennai-based BPOs. The study used a descriptive research approach and straightforward random sampling for data gathering. Using a questionnaire was the main method of gathering data. There are 300 people in the population, whereas 189 people make up the sample size. Primary data was collected using structured questionnaires, while secondary data was obtained from a range of sources, including books, documents, and websites. Original information obtained for a specific reason is included in primary data. The project depends on the input that the staff members supply. As a result, statistical methods were applied to examine the data gathered.

Keywords: Employee attrition, retention, strategies, satisfaction

INTRODUCTION

Employee attrition is the term used to describe the departure of personnel from a company for common causes including retirement and resignation. Armstrong states that "the ability of an organization to retain its top employees and consequently maintain a lower turnover rate is known as employee retention." This is typical across all industries. Every industry has attrition, which is a universal phenomena whose magnitude varies according to the industry's capacity to control attrition. The performance of the company as a whole is impacted by attrition as it raises the cost of training and development in addition to lowering service quality."

There is a well known precept which says that

"In the event that you need returns for 1 year, put resources into crops"

"In the event that you need returns for a long time, put resources into trees"

"However, on the off chance that you need returns for a long time, put resources into individuals"

Employee turnover is a major concern on a worldwide scale as well as in India. The industrial and service industries are most affected by the rising rate of turnover. Why do workers quit a firm is a frequently asked subject. In order to assess their operations and determine the causes of employee discontent, many firms use independent HR consultants. Unequal pay, few opportunities for career advancement, job stagnation, mismatched job profiles, work-related stress and work-life imbalance, challenging work hours (e.g., early morning or night shifts), company policies and procedures, lack of empowerment to complete tasks, and monotonous work are common causes of employee turnover. The HR division is in charge of hiring new staff members and giving them training to advance their professional abilities and assist them comprehend the work and corporate culture. Regardless of size, employee turnover is a problem that all businesses face. A worker could quit their present position to pursue a position with greater pay and benefits. During a new hire's training phase, the business must pay expenses including conveyance charges.

Trainer's expenses and materials to be provided during preparing process

- Cost of setting where preparing will be led

A company needs three to six months to prepare. Representatives are not contributing to the organization at this time. In the unlikely event that a worker quits the company after starting employment, the company suffers a significant financial loss in terms of paying benefits, wage increases, rewards, and new offices in an effort to retain the talented personnel. No one should enable their competitors to steal creative minds. .

STATEMENT OF PROBLEM

This report's goal is to look into things that help determine an organization's attrition rate and things that help keep people around, like pay, the relationship between managers and employees, opportunities for growth, facilities, rules and regulations, praise, recommendations, and coworkers. Another advantage of this analysis is seeing where the companies are lacking in retention.

OBJECTIVES OF THE STUDY

- To determine the factors that influence employees' dissatisfaction with company standards and regulations.
- To examine the areas in which businesses are falling behind
- To identify the retention strategies in BPOs at Chennai District.
- To understand the methods to reduce the attrition in BPOs in Chennai District

REVIEW OF LITERATURE

- Research by Brayfield and Crockett (1955) indicates a favorable correlation between intentional turnover and attitude-related characteristics. It is clear from disposition-based turnover models that employee attitudes and leaving the company are positively connected.
- According to Arthur (1994), key workers who have consistently sought recognition and pay for their services to the organization are those who have shown extraordinary performance in their training and who are persistent in their efforts. Their incentive to work more and perform better is significantly influenced by how an organization treats them and how well they remember them. Therefore, if a group provides possibilities for positive growth and self-realization, the risk of a representative leaving the group would be reduced.
- Magner et al. (1996) noted that when workers perceive themselves as part of the dynamic process, they tend to remain longer in a similar company. They get the joy of being a part of something truly significant from their association.
- Herman (1999) identified five primary causes for workers to leave their present company. Representatives leave the firm for a number of reasons, including as insufficient support, a changing corporate culture, unfavorable interactions with colleagues, discontent with pay, and a dearth of career growth prospects.
- Sahu and Gupta (1999) Factors such as duration of employment, desire reality coordinate, turnover judgment, and outside job prospects might impact an employee's decision to quit or remain with the organization.
- Abbasi and Hollman (2000) discussed five elements that encourage employee churn. Unfavorable working circumstances, hiring procedures, a lack of recognition, administrative procedures, and the absence of appropriate remuneration systems are the main causes of representative turnover.
- Walker (2001) found seven elements that support maintenance. These elements include pay and effort for the work performed, acknowledgment of abilities and performance responsibilities, testing work, good communication, opportunity for learning, positive relationships with partners, and an amazing work-life balance.
- In their analysis, Arora et al. (2001) observed that, in general, it is becoming more difficult for all businesses to retain the qualified pool of specialists. In fact, even their salary—which should ideally be higher than Indian standards—isn't reducing their turnover.
- Ramlall (2003) noted that the typical reasons why representatives quit an organization include inadequate compensation, payment below the winning business sector rate, and a lack of both internal and external value.
- Mano-Negrin and Tzafrir (2004) ensure that employees depart their organization for financial reasons; one may use these incentives to understand and further illustrate the market's representative turnover. According to (Oldham and Hackman, 2005), representatives quit their jobs only when they are unable to resolve ongoing business-related problems. For instance, chiefs who exercise excessive control or pay that is intolerable.
- Hora (2005) discussed the significance of understanding employee desires. HR Chiefs should be aware of the significance of their delegates and the topics that are relevant to them.

- Udechuk Wu and Mujtaba (2007) offered a numerical model that clarified representative turnover by emphasizing the internal (social associate) and external (boss) elements that affect an employee's choice to leave an association.
- Kim and Stoner (2008) noted that workers expect to leave for reasons related to the person (e.g., personality traits or segment components), the work (e.g., nature, content, or occupation structure), or the connection (e.g., pay, director, or coworker). Social support and occupation independence may have an immediate negative impact on worker turnover expectations.
- According to Forbes (1971), internal events such as transferring, getting promoted, or leaving an association constitute job turnover.
- Meaghan et al. (2002) stress the need of controlling wearing down and point out that a representative's respect is a critical component of an association's success. He goes on to claim that this value is worthless and can only be attained by extreme labor.
- Mobley (1977) offers a method for predicting wearing down; he asserts that the worker's home is probably the best indicator of turnover. According to Feldman et al. (2007), there are several variables that might lead to whittling down, including pressure from the job, a lack of commitment to the association, and

LIMITATIONS OF THE STUDY

- The study was conducted in the Chennai District's BPO industry; it might not be applicable to other sectors of a different nature or situated in other regions.
- The study presents the viewpoints of workers in Chennai District's BPO industry.
- Only 189 workers are included in the sample.

RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

DESCRIPTIVE EMPIRICAL RESEARCH

Characteristic Exact proof will be used in the experimental investigation. It is a technique for acquiring knowledge using ways for direct and indirect perception or experience. Such study is valued by experimentation more highly than other types. One might analyze experimental proof objectively or subjectively—that is, the documentation of one's instantaneous perceptions or interactions. A researcher can answer to experimental questions that are clearly defined and accountable using the evidence that has been acquired by evaluating the proof or understanding it in a subjective manner (for the most part termed information). The structure of research varies depending on the subject and the question under investigation. Many analysts combine qualitative and quantitative research methods to more thoroughly address questions that are difficult to focus on in research facilities, particularly in the sociology fields.

SCOPE OF RESEARCH

- The main goal of this inquiry is to learn the employees' perceptions of their career goals, professional accomplishment, and level of satisfaction at their current job.
- In order to retain the representatives, the association looks into their wants and requirements. This significantly reduces the cost and time required to choose new employees to take the representatives' place who are departing the association.
- To identify the various issues that employees are facing at work so that the organization can implement various strategies or maintenance methods to address representatives' concerns and retain them for an extended period of time, thereby reducing the attrition rate in a practical and effective manner.

SAMPLE DESIGN

Information was gathered via simple irregular inspection. A simple arbitrary example is a subset of a real population in which each member of the subset has an equal chance of getting chosen. An impartial representation of a group is what is meant to be seen in a simple irregular example.

QUESTIONNAIRE DESIGN

A questionnaire is a research tool that consists of a series of questions designed to gather information from participants. A large number of Decision surveys were taken. distinct questions for decision-making Many responses are provided to respondents, which they must review. A survey containing a lot of choice questions is trimmed down since it becomes confusing and tiresome to review too many responses, which discourages respondents from answering the questions.

DATA COLLECTION METHOD

Primary data

A crucial approach to information gathering was used. Data that you specifically collect with the intention of completing your exploration project will be considered essential information. This is the first study and in-depth analysis. One advantageous aspect of this crucial information is that it is specifically tailored to meet your testing requirements. The expense of obtaining it is a barrier.

Data analysis tools

Chi-squared test

A chi-squared test, additionally composed as χ^2 test, is any factual speculation test where the inspecting dissemination of the test measurement is a chi-squared circulation when the invalid theory is valid. Without other capability, 'chi-squared test' regularly is utilized as short for Pearson's chi-squared test. The chi-squared test is utilized to decide if there is a huge contrast between the normal frequencies and the watched frequencies in at least one classifications.

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

χ^2 = the test statistic $\sum$ = the sum of
 O = Observed frequencies E = Expected frequencies

Mann–Whitney U test

Mann–Whitney U test is a nonparametric trial of the invalid speculation that almost certainly, a haphazardly chosen an incentive from one populace will be not exactly or more prominent than an arbitrarily chosen an incentive from a subsequent populace. This test can be utilized to explore whether two autonomous examples were chosen from populaces having a similar appropriation.

ANALYSIS

CHI-SQUARE TEST

The Chi-square test is intended to test how likely it is that an observed distribution is due to chance. It is also called a "**goodness of fit**" statistic, because it measures how well the observed distribution of data fits with the distribution that is expected if the variables are independent.

HYPOTHESIS

Null Hypothesis (H0): There is no significant difference between monthly income and years of experience.

Alternative Hypothesis (H1): There is significant difference between monthly income and years of experience.

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
MONTHLY INCOME * YEARS OF EXPERIENCE IN THIS COMPANY	189	100.0%	0	0.0%	189	100.0%

MONTHLY INCOME * YEARS OF EXPERIENCE IN THIS COMPANY**Crosstabulation**

Count

		YEARS OF EXPERIENCE IN THIS COMPANY				Total
		<6 MONTHS	6-12 MONTHS	12-24 MONTHS	ABOVE 24 MONTHS	
MONTHLY INCOME	<10000	39	22	6	9	76
	11000-15000	6	8	9	8	31
	15000-20000	9	5	6	16	36
	ABOVE 20000	12	1	5	28	46
	Total	66	36	26	61	189

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	53.272 ^a	9	.000
Likelihood Ratio	56.570	9	.000
Linear-by-Linear Association	31.691	1	.000
N of Valid Cases	189		

a. 2 cells (12.5%) have expected count less than 5. The minimum expected count is 4.26.

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Pearson's R	.411	.067	6.157	.000 ^c
Ordinal by Spearman Correlation	.403	.068	6.024	.000 ^c
N of Valid Cases	189			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

INTERPRETATION

From the above chi square analysis, the variables taken are monthly income with years of experience. If the employees are satisfied with the monthly income, they will be continuing in the organization. The value of chi square is 53.272 and its associated p value is 0.00 which is less than 0.05. Therefore, we need to reject null hypothesis and accept alternative hypothesis. There

is significant relationship between monthly income and years of experience. So monthly income has considerable impact in determining years of experience of the employees in the company.

MANN-WHITNEY TEST

The Mann-Whitney U test is used to compare differences between two independent groups when the dependent variable is either ordinal or continuous, but not normally distributed.

HYPOTHESIS

Null Hypothesis (H₀): There is no significant relationship between gender and satisfaction level at work.

Alternative Hypothesis (H₁): There is significant relationship between gender and satisfaction level at work.

Ranks

	GENDER	N	Mean Rank	Sum of Ranks
LOVING TO WORK AT OFFICE	MALE	114	98.28	11204.00
	FEMALE	75	90.01	6751.00
	Total	189		

Test Statistics^a

	LOVING TO WORK AT OFFICE
Mann-Whitney U	3901.000
Wilcoxon W	6751.000
Z	-1.138
Asymp. Sig. (2-tailed)	.255

a. Grouping Variable: GENDER

INTERPRETATION

Gender and the desire to work in an office are the variables that were analyzed. The purpose of the study is to determine whether gender differences exist in terms of job satisfaction in the workplace. According to the study above, the Mann Whitney U value is 3901, and the p value that goes with it is 0.255, which is more than 0.05. Therefore, we must agree with the null hypothesis. There is no discernible correlation between an employee's gender and job happiness. This organization does not practice gender-based discrimination in the workplace. Employees at the company follow a standard operating procedure.

FINDINGS

The bulk of employees, or 58.7%, are found to be between the ages of 21 and 25. 60.3% of the 189 samples that were gathered are male, and 39.7% are female. The majority of workers (i.e., 40.2%) make less than Rs. 10,000 per month. Seven0.3%, or more than two thirds, of the workforce are graduates. The majority of workers, at 75.66%, have fewer than five years of total

work experience. Eighty-two percent of workers, or 4/5 of the workforce, concur that the work environment is welcoming. Four out of five employees, or 79.37%, concur that their office has faith in the workers to do their jobs. 81.48 percent of workers, or nearly 4/5 of the workforce, concur that communication between lower management and staff is successful. the majority of workers, or 85.72 %) concur that the employer values their efforts. The majority of workers, at 74.07%, concur that the workload and deadlines are acceptable. Using the chi-square test, we discovered that monthly salary significantly influences how many years of experience employees have with the organization. By using the Mann-Whitney U test, we were able to determine that there is no meaningful correlation between employee gender and job satisfaction.

SUGGESTIONS

- Using chi square analysis, we discovered a substantial correlation between years of experience and monthly compensation, suggesting that the corporation takes employee seniority into account when determining monthly salary. One potential motivator may be one's monthly paycheck. Therefore, an employee might continue to work for the firm and contribute additional years of expertise if it offers a good salary.
- Using the Mann-Whitney U test, we discovered that there is no meaningful correlation between an employee's gender and their degree of job satisfaction. The opinions of men and women on their mental well-being at work are similar.
- The attitudes of both sexes regarding working in an office are the same. The organization does not practice gender-based discrimination. This is noteworthy. Future business can continue with the same

CONCLUSION

The framework provided by this research project will help shape future decisions on representative government. In order to have representatives, the company must both understand the requirements of its employees and communicate to them what the organization expects of them. Putting the aforementioned suggestions into practice might lower the Associations' whittling down rate.

REFERENCES

- Bretz, R.D. Jr, Milkovich, G.T. and Read, W. (1992), "The current state of performance appraisalresearch and practice: concerns, directions, and implications", *Journal of Management*, Vol. 18, pp. 321-52.
- Cleveland, J.N. and Murphy, K.R. (1992), "Analyzing performance appraisal as goal-directedbehavior", *Research in Personnel and Human Resources Management*, Vol. 10, pp. 12185.
- Cobb, A.T. and Frey, F.M. (1996), "The effects of leader fairness and pay outcomes on superior/subordinate relations", *Journal of Applied Social Psychology*, Vol. 26, pp. 1401-26.
- Cropanzano, R. and Folger, R. (1996), "Procedural justice and worker motivation", in Steers, R.M.,

Porter, L.W. and Bigley, G.A. (Eds), *Motivation and Leadership at Work*, 6th ed., McGraw-Hill, New York, NY, pp. 72-83.

Cropanzano, R., Howes, J.C., Grandey, A.A. and Toth, P. (1997), "The relationship of organizational politics and support to work behaviors, attitudes, and stress", *Journal of Organizational Behavior*, Vol. 18, pp. 159-80.

Dean, J.W. Jr., Brandes, P. and Dharwadkar, R. (1998), "Organizational cynicism", *Academy of Management Review*, Vol. 23, pp. 341-52.

Dulebohn, J.H. and Ferris, G.R. (1999), "The role of influence tactics in perceptions of performance evaluations' fairness", *Academy of Management Journal*, Vol. 42, pp. 288-303.

Ferris, G.R. and Judge, T.A. (1991), "Personnel/human resources management: a political influence perspective", *Journal of Management*, Vol. 17, pp. 447-88.

Asher, H. B. *Causal modeling* (Sage University Paper Series on Quantitative Applications in the Social Sciences), Beverly Hills, Calif.: Sage, 1976.

Dansereau, F., Jr., Cashman, J., & Graen, G. Expectancy as a moderator of the relationship between job attitudes and turnover. *Journal of Applied Psychology*, 1974, 59, 228-229.

Dunnette, M. D., Arvey, R. D., & Banas, P. A. Why do they leave? *Personnel*, 1973, 50(May-June), 25-39.

Miller, H. E., Katerberg, R., & Hulin, C. L. Evaluation of the Mobley, Horner, and Hollingsworth model of employee turnover. *Journal of Applied Psychology*, 1979, 64, 509-517.

Mobley, W. H., Griffeth, R. W., Hand, H. H., & Meglino, B. M. Review and conceptual analysis of the employee turnover process. *Psychological Bulletin*, 1919, 86, 493-522.

Mobley, W. H., Horner, S. O., & Hollingsworth, A. T. An evaluation of precursors of hospital employee turnover. *Journal of Applied Psychology*, 1978, 63, 408-414.

Mowday, R. T., Steers, R. M., & Porter, L. W. The measurement of organizational commitment. *Journal of Vocational Behavior*, 1979, 14, 224-247.