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**STUDY ON REASONS FOR EMPLOYEE ATTRITION
IN THE BPO SECTOR IN NCR GURGAON EXL PVT
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Study on Reasons for Employee Attrition in the BPO Sector in NCR Gurgaon EXL PVT LTD

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Abstract – The wide goal of this examination is to distinguish the underlying drivers of steady loss and maintenance in BPOs, dissecting the level of worker inspiration, fulfillment and inclusion, create a model for boosting sustenance of representatives in the association and concoct solid proposals, which will inevitably be significant to the associations to hold their workers for a long haul.

Keywords: Employee, Turnover, Attrition, BPO

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1. INTRODUCTION

Business process outsourcing (BPO) is a subset of outsourcing that involves the contracting of the operations and responsibilities of specific business functions (or processes) to a third-party service seller. Originally, this was associated with developed firms, such as Coca Cola that outsourced huge segments of its supply chain.



Pic 2.1: Call Centre; an integral component of BPO
(Source: www.saisystems.com)

BPO is commonly classified into back office outsourcing-which incorporates inner exchange capacities, for example, HR or fund and bookkeeping, and front office outsourcing - which incorporates client connected administrations, for example, contact focus administrations.

BPO that is contracted outside an organization's nation is called seaward outsourcing. BPO that is slight to an organization's neighboring (or close-by) nation is called close shore outsourcing.

Outsourcing

Outsourcing is the contracting out of a business system, which an affiliation may have just performed inside or has another necessity for, to a free relationship from which the strategy is purchased back as an organization.

Notwithstanding the way that the demonstration of procuring a business work—as opposed to giving it inside—is a run of the mill segment of any propelled economy, the term outsourcing wound up recognizably noticeable in America near the turn of the 21st century. An outsourcing course of action may similarly incorporate trade of the agents and assets required to the outsourcing business associate.

The significance of outsourcing fuses both remote and private contracting, which may consolidate offshoring, depicted as "an association expelling a limit from their business and moving it to another country."

The reverse of outsourcing is called insourcing, and is as a rule completed through vertical blend. In any case, a business can give an understanding organization to another business without on a very basic level insourcing that business system.

Two affiliations may go into a lawfully restricting assention including an exchange of organizations and portions. Outsourcing is said to help firms to perform well in their inside capacities and lighten insufficiency of inclination or aptitude in the locales where they have to outsource. In the mid-21st century associations logically outsourced to suppliers outside

their own specific country, all over implied as off shoring or toward the ocean outsourcing.

A couple of related terms have ascended to insinuate distinctive parts of the psyche boggling association between fiscal affiliations or frameworks, for instance, close shoring, swarm sourcing, multisourcing and key outsourcing. Outsourcing can offer more noticeable spending versatility and control. Outsourcing allows relationship to pay for simply the organizations they require, when they require them.

It moreover reduces the need to contract and get ready particular staff, secures fresh planning bent, and abatements capital and working expenses. One of the best changes in the mid-21st century began from the improvement of social occasions of people using on the web progressions to use outsourcing as a way to deal with collect a sensible organization movement business that can be continue running from in every practical sense wherever on the planet.

2. REVIEW OF LITERATURE:

Grossman and Helpman's (2005: 135) proclamation, "We live during a time of outsourcing," unmistakably assigns that outsourcing has now turned into a recognized, acknowledged and set up business technique. A standout amongst the most well-known types of outsourcing is business process outsourcing BPO, i.e., exchanging the operational responsibility for or a greater amount of the company's business procedures to an outside provider that, thus, manages the procedures as per some predefined measurements (Ghosh and Scott, 2005; Stone, 2004). BPO or Business Process Outsourcing hence alludes to the revamp of whole business capacities to some other specialist organizations, fundamentally in minimal effort areas. The specialist organization might be either selfowned or an outsider. This migration or exchanging of business procedures to an outer supplier is basically to finish expanded investor esteem. A portion of the general administrations gave by the BPOs are Receivables and Payables, Inventory Management, Order Processing, Cash stream Analysis, Reconciliation, Data Entry, Payroll Processing, QuickBooks Accounting, Financial Statement Preparation and Accounting Services. A portion of the electronic administrations incorporate live online deals and request passage, E-trade exchange bolster, Live online enquiry taking care of, Web Design/Development. Diminished global exchange boundaries and enhanced media transmission and IT ability over the previous decade has prompted a circumstance where associations over the world are progressively interlinked with each other. This has brought about exceptional worldwide rivalry, testing business chiefs over the world to discover approaches to diminish the cost of leading business and getting to worldwide assets in addressing the need of worldwide markets. In such a unique circumstance, the rearrangement of plans of action to use advantages of outsourcing and concentrate on

center skills has turned into a key methodology sought after by huge organizations over the world. BPO specialist co-ops are required to give a wide range of advantages to their clients, running from having more noteworthy mastery in the outsourced forms, bring down expenses accomplished through economies of scale, versatility and the capacity to assimilate cyclicity of burdens.

As indicated by showcase investigation firm Gartner, the worldwide outsourcing market in 2000 was roughly \$119 bn and will touch \$234 bn before the finish of 2005. The market is relied upon to develop to about \$310 bn before the finish of 2008. Commitment from the North American mainland remains at around 59% of the aggregate market, with Europe contributing around 27% and Asia-Pac district (counting Japan) contributing the rest of the segment of the market. As far as vertical commitment, the budgetary administrations industry contributes roughly 17% of the aggregate market measure, trailed by the Telecom area (16%), Consumer Goods and Services (15%), Manufacturing (9%) and the rest by the Information Technology division.

An article in The Times of India dated August 06, 2012 alludes to an industry particular review completed by ASSOCHAM. It reports that the whittling down rate has definitely fallen in the IT, ITeS and the BPO area in this way coming down to the levels of around 15-20 for each penny amid the most recent a half year as against around 55-60 for every penny wearing down rate amid the comparing time frame a year ago. The reason it says is because of the worldwide financial droop.

"A questionable worldwide financial condition together with cross-cash vacillation has constrained the workers to receive a hold up and watch approach prompting a sharp decrease in the steady loss levels in the IT-BPO division which has been thinking about ability mash because of lack of able administrators at center and senior administration for a long while," said DS Rawat, General Secretary, Assocham.

Steady loss level is at the base of around five for every penny in the midst of representatives with a working knowledge of more than 10 years, while it was around 7-10 for every penny in the midst of representatives having 5-10 years' experience and it was around 15-20 for every penny in the midst of representatives having under five years' work understanding. The weakening rate is most extreme in the midst of youthful and section level workers as they want to advance beyond plan.

In an exploration paper distributed in the diary of JIIT, Sen Gupta reports that there is a raising lack of the fitting abilities increased through the instruction framework, which is short on quality and importance. As a result of deficiency, procuring new ability has turned out to be more costly. In 1999, the normal pay

bundle of a passage level specialist was \$160– \$180; now it is \$300– \$350.

Because of high wearing down rates, each worker who leaves costs the organization another \$900– \$1100 to enroll and prepare a substitution. Finding the correct applicant and maintaining it is currently turning into an issue. Quite a while back, the achievement rate was of picking the correct competitor was 20 percent (Rediff.com, 2005a, 2005b; Sangameshwaran and Rai, 2005).

Other than this, BPO representatives are encountering issues identified with stretch, sexual and racial mishandle, and disappointment at work (Wallet watch, 2003; Cacanans, 2004; Singh, 2005b; Witt et al., 2004; Rose and Wright, 2005; Houlihan, 2002). Inside a BPO association, HR related issues emerging at all levels have turned out to be essentially disturbing and should be tended to soon. Significant HR-related issues remaining as issues in the different levels of administration incorporate whittling down, HR approaches, truancy, execution evaluation, and labor distribution (Mehta et al. 2006).

In sorting out, the significant worries at the lower administration level are identified with work outline and occupation necessities, similar to night movements, dreariness, and extended periods. At the center administration level, basic issues were identified with HR, arranging, and inspiration.

Center level chiefs experience issues holding great workers, propelling them to invest their best exertion, and keeping them cheerful. Frequently chiefs are not prepared to work with groups and coordinating and persuading various groups at the same time is testing (Mehta et al 2006). Weakening in the BPO business is twofold. One a player in the weakening is the place the representative leaves the business altogether.

The other area of steady loss is the place the worker joins another firm in the business. Both the areas have isolate reasons which should be recognized. The essential explanation behind individuals leaving the business is because of the reason that the business is seen as a hole filler occupation. There is by all accounts a blemish in the way the business is organized.

Writing on worker contribution was additionally widely surveyed as one of the huge determinants of representative maintenance turned out as inclusion factors. Numerous scientists have dealt with worker inclusion and investment at different levels and in different areas. Worker contribution is a critical quality of occupation fulfillment, representative inspiration and even worker maintenance. Worker contribution has an immediate relationship with profitability, quality, productivity, non-appearance, and even inspiration.

Worker association has gotten much consideration in the range of work association in late decades. Despite the fact that adjustments in the work association amid the most recent decades are different and hard to condense by a couple of key ideas, there has developed an assention that representative contribution and money related motivating force frameworks are vital measures in present day faculty administration (Delery and Doty 1996), (Appelbaum et al. 2000), (Godard 2004). Addison et al. (2000) demonstrates that foundations of various sizes may be influenced contrastingly by worker association.

Worker inclusion produces enhanced endeavor execution through differing channels including improved optional exertion by representatives (Jones et al 2003). There is likewise a high relationship between peer audit and representative association in work association and better the companion survey, better is the proficiency towards work. Representative contribution likewise influences the imperative measurements of individual execution, authoritative citizenship conduct, characterized as individual optional conduct that advances the association and isn't unequivocally compensated. The fundamental guideline behind all activities for expanding the association of specialists is to get the lower-level staff more engaged with the basic leadership and work forms, and to give these representatives more noteworthy self-rule and control over occupation undertakings and strategies for work (Cappelli and Rogovsky 1994). Normal measures are collaboration, lean administration, and lessened hierarchic levels (Godard 2004).

3. EMPLOYEE ATTRITION IN THE BPO SECTOR

Hackman and Oldham (1976) proposed the Job Characteristics Model, which is broadly utilized as a system to consider how specific occupation qualities affect on work results, including work fulfillment. The model expresses that there are five center employment qualities (expertise assortment, errand personality, undertaking noteworthiness, self-sufficiency, and input) which affect three basic mental states (experienced significance, experienced duty regarding results, and learning of the real outcomes), thusly impacting work results (work fulfillment, truancy, work inspiration, and so on). The fundamental speculation of this examination that worker inspiration, representative fulfillment, representative inclusion, and life intrigue and work similarity prompt delayed sustenance is an augmentation of this model with minor changes in it. It is recommended that the Job Characteristics display is changed by reclassifying work measurements as development prospects, responsibility, feeling of achievement, confidence, employer stability, relational connections, working

conditions, by expanding hierarchical results as fulfilled, propelled, included and held representatives. Figure 1 is the adjusted Hackman and Oldham's Job Characteristics show which has been taken as the base to think about the exploration questions relating to this examination. The new model is likewise intended to be useful as an administration apparatus and should consequently be straightforward and sufficiently adaptable to be useful to the administration of an association. Normal administration inquiries would include the reasonable motivational effect of occupation upgrade, for example, expanding representatives' level of control and obligation over their work conduct or presenting a plan whereby representatives take part in certain administration choices. The model ought to hence enable administrators to control a large group of occupation attributes and explore the presumable impacts upon the inspiration, execution and sustenance of the workforce. This study aimed at exploring the dimensions of attrition and retention. Based on our ground work; initial survey and personal interviews held with the BPO employees, it was found that factors that contribute to attrition are quite different from the factors that contribute to retention

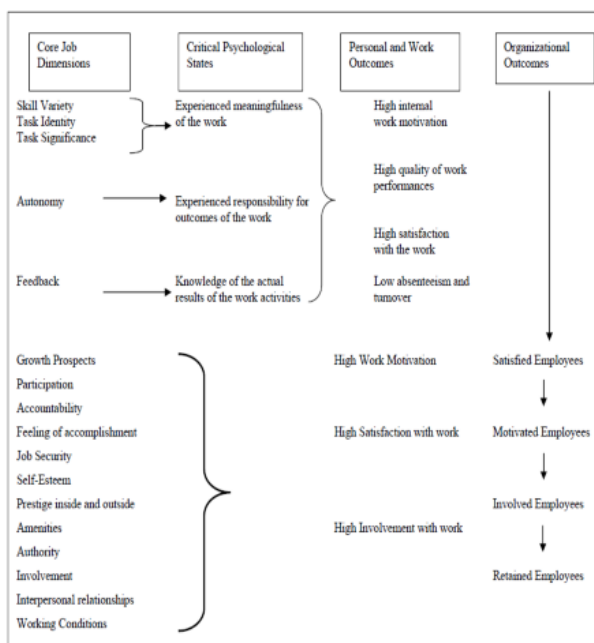


Figure:1 Modified version of Hackman and Oldham's Job Characteristics Model

In view of the Hackman and Oldham's Job Characteristics Model and the alterations made to it, a clearer and more clear pictorial system of the model is given in Figure 2 and 3. Figure 2 unmistakably shows the essential develops of the whittling down model: individual qualities, negative employment attributes (work measurements), and the last resultant as steady loss. Figure 3 delineates develops of maintenance display i.e. individual attributes, inborn occupation measurements and the subsequent level of fulfillment, inspiration and contribution (work results) and the last outcome i.e. held workers (authoritative results).

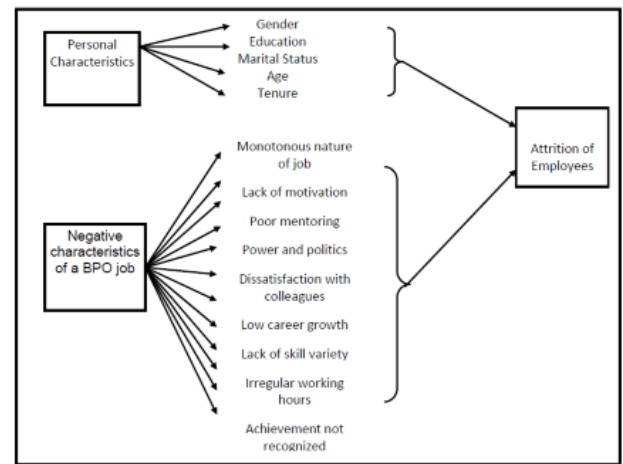


Figure: 2 Basic models for attrition

Figure 2 plainly recommends the individual qualities as age, instruction, sexual orientation, conjugal status and residency alongside the negative attributes of a BPO work i.e. dull nature of employment, absence of inspiration, poor coaching, power and governmental issues, disappointment with partners, low profession development, absence of expertise assortment, sporadic working hours, accomplishment not perceived and so forth. These two all things considered outcome in the steady loss of workers. The inquiry is what amount do these variables really add to whittling down. So also figure 3 portrays the individual attributes and center occupation measurements which are inherent in nature and how would they add to maintenance of workers.

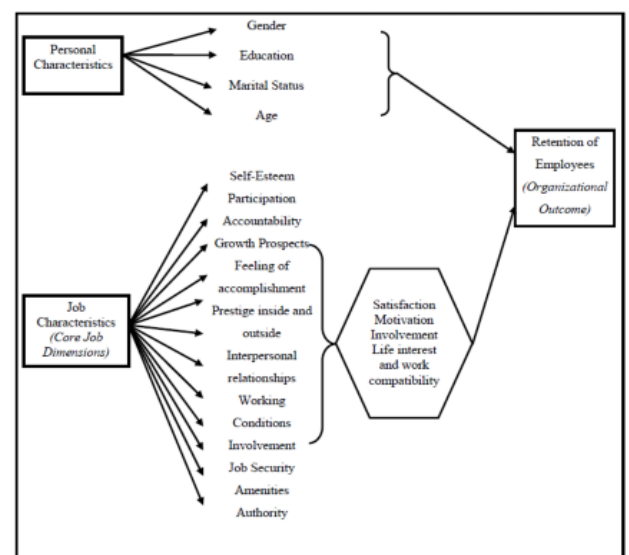


Figure: 3 Basic models for retention of employee

CONCLUSION:

The developing pattern of employment exchanging in the BPO business may turn out to be deadly for the survival and development of India's BPO segment. Organizations nowadays don't put much concentrate on upgrading people's execution; this may hamper

India's fast rising on the world financial stage over the long haul. Fast increment in work exchanging has constrained individuals to scrutinize India's aggressiveness in the BPO part and in this way, it is basic that BPO organizations must give sufficient preparing and work understanding to representatives.

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