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## **Employee retention strategies in the BPO Sector: A study on Kentech solutions**

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### **Abstract**

Organizations today are challenged with improving productivity and operational efficiency with ever-shrinking budgets. But, it lacks the time and resources to direct non-core, resource-intensive functions properly. The solution is a Business Process Outsourcing (BPO) stratagem, with a partner who can deliver impressive business value and significant competitive gain. The main objective of this paper is to find out the reasons for employee turnover in the organization. For the present study, the descriptive research design was adopted. A convenience sampling method is adopted to carry out the study. The statistical tools applied for the study are SPSS 17.0 version one-way ANOVA and percentage analysis.

**Keywords:** Workload, stress, job security, career growth, employee turnover, retention measures

### **1. Introduction**

Researchers worldwide have concluded that good HR practices and policies can go a long way in influencing business growth and development. People are the most important and valuable resource that an organization has, in the form of its employees.

Employee retention has become a major concern for organizations of any nature. Employee attrition is a costly dilemma for all organizations. In one of the surveys, it was found that 90% of those firms surveyed said it was more difficult to retain talented individuals than it was several years before. Therefore, organizations and managers must recognize that retention must be a continuing HR emphasis and a significant responsibility for all supervisors and managers. Employee retention involves taking measures to encourage employees to remain in the organization for a longer tenure. The corporate world today is facing a lot of problems in retaining competent and able employees in the organization. It is very essential to recruit knowledgeable people in the organization and it is still more important to retain them. Job mobility is increasing at a rapid pace so recruiting competent people is also becoming difficult, especially in India. Organizations these days create an enabling culture to help employees retain in the organization and also to protect the existing skilled manpower since there is no dearth of opportunities for a talented person. Kentech has the competencies, Capabilities and resources to deliver BPO services to hold up as many functions as the clients require. Core and diversified F&A services are core to Kentech's integrated business process outsourcing (BPO) strategy.

### **2. Need for the study**

1. To reduce the employee turnover.
2. To avoid the loss of the company's Time and knowledge.
3. To keep on the good reputation of the company.
4. To eliminate the interruptions in the customer service.

### **3. Objectives of the study**

**The following are the objectives of the study**

1. To find out the causes of employee turnover in the organization.
2. To analyze the employee perceptions about job-related aspects in the organization.
3. To correlate the job-related aspects with employees' personal variables like gender, age and education.

- To suggest measures for formulating human resource strategies and policies for retaining the employees in the organization.

**4. Hypotheses of the study**

**H0<sub>1</sub>:** There is no significant impact between Education and Job-Related Aspects

**H0<sub>2</sub>:** There is no significant impact between Gender and Work Related Aspects

**H0<sub>3</sub>:** There is no significant impact between Age and Career Related Aspects

**5. Methodology**

For the present study, the descriptive research design was adopted. This study covers both primary and secondary data. Primary data is collected by distributing questionnaires to the employees of Kentech Solutions and secondary data is collected from various journals, articles, websites, dissertations and theses about the relevant matters of the subject under study. A convenience sampling method is adopted to carry out the study. In this connection, out of 550 employees of Kentech Solutions, 110 are selected covering almost all the departments. In this study the questionnaire consists of mostly close-ended questions with a 5-point Likert scale i.e. strongly Disagree; Dis Agree; Neutral; Agree; Strongly Agree. The statistical tools applied for the study are SPSS 17.0 version one-way ANOVA and percentage analysis.

**6. Data analysis and Interpretation**

**Table 1:** Demographic profile of the respondents

Sl. No.	Demographic factors	Frequency	Percentage
1.	<b>Age</b>		
	Between 21-30 years	70	63.7%
	Between 31-40 years	25	22.7%
	Above 40 years	15	13.6%
	Total	110	100
2.	<b>Education</b>		
	Inter	10	9%
	Degree	70	64%
	PG	30	27%
	Total	110	100
3.	<b>Gender</b>		
	Male	70	64%
	Female	40	36%
	Total	110	100

Source: Primary Data

In the above table, 63.7% of the respondents belong to the age group of 21-30 years. Between 31-40 years they are 22.7%, and above 40 years are 13.6%. Education wise respondents with Inter qualification are 9%, Degree qualified respondents are 64% and PG qualified respondents are 27%. According to the Gender, Male respondents are 64%, and Female are 36%.

**Table 2:** Opinion of the respondents on job-related aspects in Kentech Solutions, (N=110)

SL. No	Factor	SDA		DA		N		A		SA	
		F	%	F	%	F	%	F	%	F	%
1.	Salary	40	36.4	35	31.8	10	9.1	15	13.6	10	9.1
2.	Job security	50	45.5	26	23.6	9	8.2	5	4.5	20	18.2
3.	Workload	56	50.9	22	20.0	5	4.5	15	13.6	12	10.9
4.	Shift system	10	9.1	14	12.7	10	9.1	31	28.2	45	40.9
5.	Working hours	11	10	10	9.1	10	9.1	51	46.4	28	25.5
6.	Training Programs	40	36.4	26	23.6	9	8.2	12	10.9	23	20.9
7.	Interpersonal relationship	25	22.7	10	9.7	15	13.6	30	27.3	30	27.3
8.	Career growth	40	36.4	36	32.7	9	8.2	15	13.6	10	9.1
9.	Job stress	50	45.5	31	28.2	9	8.2	8	7.3	12	10.9
10.	Rewards	50	45.5	28	25.5	10	9.1	9	8.2	13	11.8

Source: Primary data

SDA= strongly Disagree; DA= Dis Agree; N=Neutral; A=Agree; SA=Strongly Agree

- Nearly 22.7% of the respondents are satisfied with the salary in the Organisation.
- Only 22.2% of the respondents are satisfied with the job security in the Organisation.
- 24.5% of the respondents are satisfied with the workload in the Organisation.
- 69.1% of the respondents are highly satisfied with the shift system in the Organisation.
- 71.9% of the respondents are highly satisfied with the working hours in the Organisation.
- 31.8% of the respondents are highly satisfied with the Training programs in the Organisation.
- 54.6% of the respondents are highly satisfied with the Interpersonal relations in the Organisation.
- 22.7% of the respondents are satisfied with the career growth in the Organisation.
- 18.2% of the respondents are highly satisfied with the job stress in the Organisation.
- 20% of the respondents are highly satisfied with the rewards in the Organisation.

**7. Verification of hypotheses**

**7.1 ANOVA test to verify the significant impact of education on job-related aspects**

**Table 3:** Job security, salary, training programs and job stress

Factors		Sum of Squares	DF	Mean Square	F	Sig.
Job Security	Between Groups	202.371	2	101.186	221.032	.000
	Within Groups	48.983	107	.458		
	Total	251.355	109			
Salary	Between Groups	148.485	2	74.242	183.322	.000
	Within Groups	43.333	107	.405		
	Total	191.818	109			
Training Programs	Between Groups	100.855	1	100.855	64.758	.000
	Within Groups	168.200	108	1.557		
	Total	269.055	109			
Job Stress	Between Groups	166.117	2	83.058	279.620	.000
	Within Groups	31.783	107	.297		
	Total	197.900	109			

**H01:** Null Hypothesis: There is no significant impact between Education and Job-related Aspects

**H1:** Alternate Hypothesis: There is a significant impact between Education and Job-related Aspects

- In the Job-related aspects, the significant value of job security is 0.000 at a 5% level of significance. So the Null Hypothesis is rejected and there is a significant impact of Education on Job security.
- About the aspect of salary, Training Programmes and Job stress the significant value is 0.000 hence the Null Hypothesis is rejected and it is concluded that there is a significant impact of Education on Salary, Training Programmes and Job Stress.

**Table 4:** Workload, working hours and shift system

Factors		Sum of Squares	DF	Mean Square	F	Sig.
Workload	Between Groups	151.232	2	75.616	106.849	.000
	Within Groups	75.723	107	.708		
	Total	226.955	109			
Working Hours	Between Groups	135.532	2	67.766	239.058	.000
	Within Groups	30.331	107	.283		
	Total	165.864	109			
Shift System	Between Groups	177.245	2	88.623	500.515	.000
	Within Groups	18.946	107	.177		
	Total	196.191	109			

**H02:** Null Hypothesis: There is no significant impact of gender on work-related Aspects

**H2:** Alternate Hypothesis: There is a significant impact of gender on work-related Aspects

**7.2. ANOVA test to verify the significant impact of gender on work-related aspects**

In the work-related aspects, the significant value of workload, working hours and shift system is 0.000 at a 5% level of significance. So the Null Hypothesis is rejected and there is a significant impact of Gender on work-related aspects like workload, working hours and shift system.

**7.3. ANOVA test to verify the significant impact of age on career aspects**

In the career-related aspects, the significant value of Rewards, Career Growth, and Interpersonal Relationships is 0.000 at a 5% level of significance and hence the Null Hypothesis is rejected.

**Table 5:** Rewards, career growth, interpersonal relationship and Interpersonal relationship

Factors		Sum of Squares	DF	Mean Square	F	Sig.
Rewards	Between Groups	54.985	1	54.985	38.217	.000
	Within Groups	155.388	108	1.439		
	Total	210.373	109			
Career Growth	Between Groups	148.705	2	74.352	186.53	.000
	Within Groups	42.605	107	0.399		
	Total	191.355	109			
Interpersonal Relationship	Between Groups	182.964	1	182.964	286.98	.000
	Within Groups	68.854	108	.638		
	Total	251.818	109			

**H03:** Null Hypothesis: There is no significant impact of age on career-related aspects

**H3:** Alternate Hypothesis: There is a significant impact of age on career-related aspects

**8. Findings of the study**

- 63.7% of the respondents are in the age group between 21 and 30.
- 64% of the respondents are under graduation.
- 36% of the respondents are female employees.
- Nearly 70% of the respondents are dissatisfied with the salary in the Organisation.
- The majority of the respondents are dissatisfied with the job security in the Organisation.
- Above 70% of the respondents are dissatisfied with the career growth in the Organization.

7. 3/4<sup>th</sup> of the respondents are dissatisfied with the job stress in the Organisation.
8. Almost all of the respondents are dissatisfied with the rewards in the Organisation.

### 8.1 Verification of hypotheses

The ANOVA test conducted on various factors of employee retention shows that they are highly significant and it shows that there is a high correlation between personal variables and job-related aspects, work-relation aspects and career-related aspects.

### 9. Conclusion

The BPO sector is a purely service-oriented organization and its development depends upon the efficient functioning of its employees. The employee feels at ease at work only when they have a positive and favourable attitude towards various aspects of the BPO environment. Employees are the assets of an organization and to retain them in the organization some Effective measures should be taken into concern such as Salary, Rewards, Career Development etc., These are long-run aspects that determine the overall functioning of the BPO sector. Thus, the BPO sector can reduce employee turnover as well as retain employees as long as possible.

### 10. Suggestions

**The following suggestions are made given the above findings**

1. Salary is the most important factor for satisfaction. It should be high enough to maintain the living standard of employees. The authority should consider that salary should be reasonable and comparable with that of other similar organizations.
2. There should be provision for rewards for better performance. It will encourage them to take responsibility and also improve their willingness to perform better.
3. Regarding workload, many employees felt that the workload in Kentech Solutions is heavy and strenuous. Therefore, there is an urgent need to rethink the assignment of workload.
4. The Organization should initiate career planning and development programmes for its employees to promote a sense of job security in the organization.
5. The creative work environment in the organization should be promoted by the management and facts as a coping strategy for the employees to effectively combat stress, workload and monotony in their jobs.

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