

# Determinants of Talent Retention in BPO Industry

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*Talent retention is a strategic tool to ensure superior work performance. Talent retention continues to top the list of CEOs' priorities. Top management focus has shifted from numbers to quality and from 'recruitment' to 'retention'. Low retention is common in almost all fields but it is certainly alarming in BPOs. The present study attempts to unveil the determinants of talent retention in BPO (ITeS) industry. The employees have been found here to append greater value to organization's atmosphere, supportive top management and comparative salary structure and other monetary benefits. BPO companies should maintain conducive work environment and adopt competitive rewards and recognition policies along with best of the facilities to help employees maintain work life balance.*

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## Introduction

Today's organizations are increasingly afflicted with the issues concerning talent shortage. The shortage in skilled workers is across the spectrum—from personal assistants and call-centre operators to researchers, engineers and accounting staff. Managers and administrators have realized that having capable staff is a competitive advantage. Efficient and productive workforce makes an organization not only survive but flourish too. With this understanding comes in view the rapidly increasing focus on retaining key talent, which represents the total of the inherent abilities, acquired knowledge, capabilities and skills. Inarguably, diversity in workforce – age, sex, qualifications, experience, competence, perception, quality etc. - has brought up more, not fewer retention issues. While a small number of employees leaving an organization is natural and acceptable, high turnover is considered a matter of serious concern. High employee turnover can be seen in almost all the sectors but it is certainly alarming in BPOs, especially in ITeS (a whopping 35-50%). In an extremely competitive market, it has become imperative for organizations to look into the causes of high employee attrition and come up with a strategy for

retaining one's talented pool of employees. Increased attrition levels need to be monitored and managed carefully as they eventually affect the overall performance of the firm. The focus clearly needs a shift from recruitment to retention. Another important reason for organizations to retain their employees and curb employee turnover is the costs attached to it. The combined direct and indirect costs associated with one employee leaving the organization ranges from a minimum one year's pay and benefits to a maximum of two years' of pay and benefits including the loss of corporate memory, affecting productivity, profitability, product and service quality, negatively affecting employment relationships, morale and workplace safety. (Prakash & Chowdhury, 2004). The problem of low employee retention can be addressed through a variety of proactive retention strategies, workplace policies and practices which would not only help offset negative impact of low retention but also work proactively to increase employee retention. There is strong evidence in the literature that creative and productive employees usually look for a change and their retention is positively associated with not-so-obvious factors which are perceived under the usual control of management. This research attempts to identify determinants of talent's retention in BPO (ITeS) sector.

### Rationale of Study

Globalization has forced multinationals outsource their production and services to countries where they find a competitive advantage in lower labor costs.

Global outsourcing now occurs for all types of jobs and across most industries (Gomez-Mejia et. al, 2010). The Indian BPO sector's growth and increasing maturity is reflected across multiple dimensions. In just over a decade, the industry has grown to reach nearly US\$ 11 billion in export revenues, employs more than 700,000 people, and accounts for more than 35 percent of the worldwide BPO industry. Comparing past growth trends with the significant future market opportunity, the Indian BPO industry can set itself a stretch target of US\$ 50 billion (nearly fivefold its present size) in export revenues by 2012. This gigantic leap in the Indian BPO market due to high growth in IT sector is likely to add nearly 2.5 percent directly to India's GDP from exports earnings and provide direct employment to about 2 million people. (Nasscom data 2010) However, this sunrise sector is struggling with containing high employee attrition, which if is left un-checked, shall have far reaching depressing implications on overall industrial growth of Indian economy as the BPO sector constitutes a sizeable part of Indian service industry, emerging propeller of the nation's financial system.

**This sunrise sector is struggling with containing high employee attrition.**

### Literature Review

The literature available was reviewed to identify determinants of talent retention in BPO industry. Most of the sources consulted in the study stress that

there are many determinants of talent retention depending upon priorities and life styles of employees. Causes of attrition are different in relation to the gender (Vermaand Garg, 2011). Results of this study show that female employees feel more stressed because of work life imbalances and tend to leave jobs at an early stage of their career. The top reason for talent attrition is “external inequity of compensation”. 27 percent of the employees in their exit interviews mentioned compensation as primary reason whereas limited career opportunities and role stagnation are stated as top two reasons for low retention. (Ramaiya, 2008). Thus, despite the fact that there is general agreement about the importance of competitive compensation for employee retention (Ramlall, 2003), there is also a growing consensus that high or even generous compensation will not independently guarantee that an organization will be able to keep its key employees. Talent engagement is necessary to retain an employee as disengaged employee disturbs the system and multiplies the dissatisfaction levels in the organization which results in decreased motivation, high talent turnover and diminished performance. (Jeswani & Souren, 2008). Their research mentions that raising and maintaining employee engagement is in the hands of an organization and requires a perfect blend of time, effort, commitment and investment to craft a successful endeavor.

A survey by Mercer Human Resources Consulting Services (2006) showed that salaries soared higher as employers battled to attract and retain

staff in the tightest labor market in 30 years. The survey revealed that the real challenge for human resources managers is to maintain the right salaries and other variable rewards in a tight market. Pillai (2006) attempted to bring out the amount of monetary losses; company suffers because of high employee attrition. According to this study major factors responsible for low employee retention are higher salary expectations, lack of promotion opportunities and work life imbalances. Raina (2006) by means of a series of surveys, observations and interviews ascertained that employees’ attrition is higher in the age group of 20-25 years and within three months of joining. Young professionals leave the job because of slow career growth, poor relations with seniors/colleagues, health problems, work-life imbalance and for higher studies.

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Meyer et al, (2003) stated that building “affective commitment” involved much more than paying well, and that retention based on “compensation based commitment” is of course sensitive to changes in compensation within the company. They found that employers who based their retention on compensation based commitment were always vulnerable to the possibility that their competitors may offer better

wages and, thus, lure away their employees. Similarly, Smith (2001) argued that “money gets employees at the door, but it doesn’t keep them there.” Dibble (1999) included money in her discussion of financial incentives but she also argued that money is not always a fitting reward. In a survey that she conducted, about one-fourth of the respondents said that they changed their current jobs because they did not feel cherished or appreciated in their current organization. Lawler (1990) advocated that the key issue in retention was the amount of total compensation relative to the levels offered by the organizations. “Organizations that have high levels of compensation have lower turnover rates and large number of individuals applying for them.” In addition, the study concluded that high wage workplace may create a “culture of excellence.”

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A survey on talent shortage by ManpowerGroup (2011) reveals that despite the slow and uneven recovery from the global economic downturn and lingering high levels of unemployment in many markets, organizations around the world still report that they cannot find the talent they need when they need it. According to the survey, nearly half of India’s employers are struggling to fill critical positions because of a severe talent crunch. Although the situation has improved over last year, 48% of

employers in the country are facing hiring challenges this year as against the global average of 34%, the study said.

The research indicates employers in India, the United States, China and Germany report the most dramatic talent shortage surges compared to last year.

The above studies indicate that high attrition rate has made the employers realize that retaining the existing talent is much more beneficial than recruiting and developing the fresh ones. The literature reviewed also stressed that to attract and retain the best from the limited talent pool and to become an employer of choice, every employer should make an effort to create an employee friendly and conducive work environment. NASSCOM report (2010) has clearly indicated that BPO industry is expected to face a shortfall of 2, 62,000 professionals by 2012 and employee retention, no doubt, is the call of the day and is the fast emerging area of research in human resources management. However, no study has been found debating on talent retention issue in BPO industry although this sector is contributing significantly towards the growth of Indian economy. Thus, the present study is intended to fill this gap.

**Retaining the existing talent is much more beneficial than recruiting and developing the fresh ones.**

### Objectives & Hypotheses

The present study strives to achieve the following objectives:

- To identify the determinants of low employee retention in BPO (ITeS) industry.
- To explore the relationship between selected personal/demographic variables and the determinants of talent retention.
- To appraise the relationship of selected organizational variables with determinants of talent retention.

The study has examined various determinants which lead an employee to depart from the organization through an empirical survey of employees of selected BPO companies and aimed at analysing the various determinants causing low talent retention in BPO (ITeS) industry which ultimately will help the companies to manage themselves in such a way that an employee maintains his organizational citizenship. In order to achieve the above objectives, the following hypotheses were drawn:

$H_{01}$ : Demographic and HR variables like age, qualification, sex, person organization fit, rewards and recognition, remuneration, training and career development, challenging job opportunities etc. do not determine talent retention in BPO (ITeS) industry.

$H_{02}$ : Organizational variables like leadership behavior, company culture and policies, teamwork, interpersonal relationship, work environment etc. do not act as determinants of talent retention in BPO (ITeS) industry.

### **Methodology**

The research methodology adopted to

carry out the study is both exploratory and confirmatory in nature. The descriptive design was applied in this study to explain the characteristics of groups of employees and to find out the variance as well as relationship among different variables. This implies that the study attempted to identify the factors which affect employee decision to stay or leave the organization. The present study makes extensive use of primary data gathered from 250 employees serving in 25 BPO (ITeS) organizations. For the purpose of collection of data probability sampling has been used. The respondents were in the 20-40 years age group. The respondents were found to be in the ratio of 51.6: 48.4 on gender basis. 51.6 per cent of the respondents were post graduates and 42.4 per cent were simply graduates whereas only 6 per cent were holding diplomas in their discipline concerned. Work experience of the respondents was divided into four categories with 41.2 per cent falling into the category of 3-5 years of experience, 46.4 per cent had an experience of 2-3 years in the same organization. Further 23.6 per cent had less than one year experience in the present organization (Table 1).

The data so collected have been analyzed by using statistical tools and techniques like mean score, standard deviation, factor analysis, Student's t-test, f-test (ANOVA). To find out whether there is any significant difference between the mean score of employee satisfaction related to gender, age, total experience, qualification, experience in current organisation - Student's t-test and F-Test have been applied. The data was gathered with the help of a well structured

**Table 1 Demographic Profile of Respondents**

Demographic Variables	Categories	Respondents	
		Number	Percentage
Gender	Male	129	51.6
	Female	121	48.4
Age (in years)	Below 21	8	3.2
	21-25	107	42.8
	26-30	82	32.8
	31-35	40	16.0
	36-40	13	5.2
Total experience (in years)	Less than one year	42	16.8
	1-3 years	49	19.6
	3-5 years	103	41.2
	Above 5 years	56	22.4
Qualification	Graduate	106	42.4
	Post Graduate	129	51.6
	Diploma Holders	15	6.0
Association with the organisation (in years)	Less than one Year	59	23.6
	1-less than 2 Years	54	21.6
	2-less than 3 Years	116	46.4
	More than 3 Years	21	8.4
Type of BPO	Domestic	40	16.0
	International	210	84.0

questionnaire (prepared after pilot study) that includes the information on different aspects of the research problem. To select the sample respondents, random sampling technique has been followed. The entire analysis was done using SPSS 17.0 version.

### Findings & Discussion

Analysis of the questionnaires was carried out in two parts: (1) Demographic Analysis of the Respondents, and (2) Descriptive Analysis. To identify various determinants affecting employee retention *Factor Analysis* through the *Principal Component Analysis (PCA)* and *Varimax Rotation* were carried out over 82 statements for employees. Items having loadings greater than +/- .40 were re-

tained and only 75 statements in the context of employee satisfaction were kept for further analysis. The factor analysis reduced the 75 statements to 20 factors (Table 2). Then by using the *Extraction Method of Principal Component Analysis* it seems that these 20 extracted factors together account for 70.17 % of cumulative variance. It means, it is adequate to retain 70 % of information by 20 extracted factors and this way only 30 % of information is lost. The scale of variables was also put to reliability test, high value of KMO 0.873 (>0.8) indicates that a factor analysis is quite useful for the data being used in this study. Similarly, the significant value for Bartlett's test of sphericity is 0.000 which indicates that there exists a significant relationship among the variables. The obtained value shows that

**Table 2 Total Variance Explained**

Component	Initial Eigen values			Extraction Sum of squared loadings			Rotation sun of Squared loadings		
	Total	% of varian	Cumulative %	Total	% of varian	Cumulative %	Total	% of varian	Cumulative %
1	8.51	10.26	10.26	8.51	10.26	10.26	8.33	10.03	10.03
2	5.72	6.89	17.16	5.72	6.89	17.16	4.99	6.01	16.05
3	5.18	6.24	23.40	5.18	6.24	23.40	4.22	5.08	21.14
4	4.76	5.74	29.14	4.76	5.74	29.14	4.12	4.96	26.11
5	3.89	4.69	33.84	3.89	4.69	33.84	3.69	4.45	30.56
6	3.67	4.43	38.27	3.67	4.43	38.27	3.37	4.06	34.62
7	3.13	3.77	42.04	3.13	3.77	42.04	3.34	4.02	38.65
8	2.76	3.33	45.38	2.76	3.33	45.38	2.63	3.17	41.83
9	2.50	3.02	48.40	2.50	3.02	48.40	2.26	2.72	44.56
10	2.42	2.91	51.32	2.42	2.91	51.32	2.24	2.70	47.27
11	2.33	2.81	54.13	2.33	2.81	54.13	2.21	2.66	49.93
12	2.10	2.53	56.67	2.10	2.53	56.67	2.20	2.65	52.59
13	1.91	2.30	58.98	1.91	2.30	58.98	2.16	2.61	55.20
14	1.77	2.14	61.12	1.77	2.14	61.12	2.14	2.58	57.78
15	1.70	2.05	63.18	1.70	2.05	63.18	1.90	2.29	60.08
16	1.50	1.80	64.98	1.50	1.80	64.98	1.80	2.17	62.25
17	1.44	1.73	66.72	1.44	1.73	66.72	1.74	2.10	64.36
18	1.38	1.67	68.40	1.38	1.67	68.40	1.68	2.03	66.39
19	1.38	1.66	70.06	1.38	1.66	70.06	1.65	1.99	68.38
20	1.28	1.54	71.60	1.28	1.54	71.60	1.48	1.78	70.17

Extraction Method: Principal Component Analysis  
 Rotation Method: Varimax with Kaiser Normalisation

Cronbach's Alpha of the scale was 0.81, which is also deemed satisfactory.

**Organization Culture is the real reason why employees leave.**

An attempt has been made to measure the dimensions of employees satisfaction related to policies and systems of the organization, which ultimately decides employee retention. A comparison of mean values and standard deviation along with the dimensions of employee satisfaction are represented in Table 3. High mean value shows the factors most required to retain employ-

ees in an organization i.e. if top management includes these factors in its system then very less employees might leave the organization. Although compensation is commonly thought to be the single most important factor in the case of a job change, the results indicate otherwise: Organization Culture is the real reason why employees leave (mean score being 4.25). Conducive and supportive organizational culture controls the majority of the reasons people leave. The workplace environment should be such where employees feel more passionate about their work and exhibit the behavior that organizations need to drive better results. In today's scenario where

**Table 3 Overall Status of Determinants of Talent Retention**

Factors No.	Factor Ranking	Determinants of Talent Retention	Mean	Std. Dev.
F1	II	Work Life Integration	4.25	0.473
F2	XIV	Group conformity and Team work	3.18	1.291
F3	XVIII	Proper matching between job and the person	2.90	1.505
F4	III	Rewards and Recognition	4.19	0.487
F5	IV	Compensation and Flexible Benefits	4.12	0.760
F6	XII	Employee Involvement	3.34	0.374
F7	VII	Career Advancement and Promotion Opportunities	3.84	0.656
F8	XIX	Fringe Benefits	2.88	0.961
F9	XX	Innovation	1.65	0.531
F10	XIII	Work place	3.27	0.765
F11	VIII	Leadership	3.75	0.801
F12	X	Overall effectiveness	3.64	1.254
F13	IX	Feedback and Performance Appraisal	3.74	0.918
F14	XI	Job Clarity	3.59	1.148
F15	XVII	Job Satisfaction	3.04	1.222
F16	XV	Job Security and Safety	3.08	0.853
F17	XVI	Transparency	3.08	0.853
F18	I	Organisation culture	4.29	0.501
F19	VI	Employee Training	3.86	1.504
F20	V	Information Management and Communication	3.90	0.750

job conditions are found to be more stressful, employees look for second home at workplace only. Work life balances, rewards and recognition, compensation and flexible benefits are highly weighted factors affecting employees' retention. Employee training, career advancement and promotion opportunities, information management and communication, leadership, job clarity, job involvement, feedback and performance appraisal, work place, group conformity and team work, job security and job satisfaction are the next equally important dimensions as rated by the respondents. Proper matching between the job and person, fringe benefits and innovation with mean values below 3.00 indicates lesser importance of these dimensions on employee retention.

Table 4 shows mean, t-test and significance levels of various factors affecting employee retention between genders of the respondents. The study revealed lack of work life integration as one of the important reasons behind low employee retention as both male and female employees have recognized the need of the same during the course of data collection. They clearly stated that BPO jobs are highly stressful and they fail to create a balance between their personal and professional lives, feel unsatisfied and are looking for another viable option in the market. The t values of various dimensions show that there is no significant difference between mean scores of the respondents across the gender except for factors "job satisfaction", "job safety and security" and "training". Thus,

in the gender group of respondents almost equal agreement is found regarding each of the factors affecting employee retention. Null hypothesis is hence accepted that there is no significant difference between male and female respondents regarding various factors affecting employee retention. The factors, “job satisfaction”, “job safety and security” and “training” have values less than 5 percent significance level, which clearly shows that males’ and females’ views vary along these three aspects. Females prefer to stay in an organization which provides them safety and se-

curity on the job along with satisfaction in relation to policies and procedures of the organization. On the contrary, males have been found to be in favor of provision of training for their development and growth. Null hypothesis is therefore accepted that there is a significant difference between male and female respondents regarding various factors affecting employee retention.

**BPO jobs are highly stressful and they fail to create a balance between their personal and professional lives.**

**Table 4 Gender wise Comparison of Determinants of Talent Retention**

Determinants (F)	Male (N=129)		Female (N=121)		t- value	Sig. Value
	Mean	S.D	Mean	S.D		
F1	4.24	.56	4.33	.41	-1.44	.149
F2	4.25	.46	4.25	.48	-.02	.984
F3	4.21	.45	4.18	.51	.48	.629
F4	4.09	.80	4.15	.71	-.60	.547
F5	3.89	.76	3.90	.74	-.10	.917
F6	3.93	1.96	3.79	.74	.73	.464
F7	3.84	.66	3.84	.65	.00	.999
F8	3.79	.78	3.70	.81	.88	.377
F9	3.77	.86	3.71	.97	.43	.663
F10	3.62	3.66	3.66	1.29	-.28	.776
F11	3.53	1.14	3.66	1.15	-.95	.342
F12	3.33	.35	3.35	.39	-.36	.714
F13	3.31	.79	3.22	.73	.91	.360
F14	3.20	1.29	3.16	1.29	.23	.818
F15	2.95	.85	3.22	.83	-2.47	.014*
F16	2.95	.85	3.22	.83	-2.47	.014*
F17	2.96	1.23	3.13	1.20	-1.10	.269
F18	2.79	1.50	3.00	1.50	-1.10	.272
F 19	3.02	1.00	2.73	.89	2.42	.016*
F 20	1.66	.50	1.64	.56	.32	.745

\*Significant at 0.05 percent level.

It can be seen that the respondents in the category of under 35 years of age rate work life balance (mean 4.28) and

flexibility as more important than their relationship with their bosses, and identify organizational culture (mean 4.25) as one

of the reasons to stay with their organization. Employees above 35 years of age give preference to an organization which offers them competitive pay package (mean 4.48) and benefits (mean 4.29). Younger generation (18-21 years of age) has been found to join BPOs to gain exposure to an international work environment besides the fascinating infrastructure that BPOs provide with. So, it is not

just for quick money, as is generally perceived, they join BPOs but more importantly -for a “luxurious lifestyle” (Table 5). The relationship between the five categories does not differ significantly except with respect to four factors i.e. employee involvement (F6), career advancement and involvement (F7), overall effectiveness (F12), feedback and performance appraisal (F13). For these

**Table 5 Age wise Comparison of Determinants of Talent Retention**

Determinants(F)	A1 (N=8)		A2 (N=107)		A3 (N=82)		A4 (N=40)		A5 (N=13)		F value	Sig. Value
	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D		
<b>F1</b>	3.90	0.60	4.26	0.45	4.28	0.46	4.26	0.51	4.27	0.45	1.81	.317
<b>F2</b>	2.45	1.13	3.09	1.32	3.22	1.25	3.30	1.28	3.78	1.23	1.58	.178
<b>F3</b>	2.12	1.55	2.72	1.46	3.08	1.46	3.00	1.60	3.30	1.65	1.47	.209
<b>F4</b>	4.04	0.73	4.22	0.45	4.21	0.43	4.10	0.55	4.29	0.67	.83	.506
<b>F5</b>	3.87	0.86	4.15	0.69	4.01	0.85	4.19	0.76	4.48	0.50	1.45	.217
<b>F6</b>	3.20	0.53	3.40	0.35	3.34	0.33	3.19	0.43	3.44	0.34	3.04	.018*
<b>F7</b>	3.37	0.42	3.86	0.63	3.75	0.72	3.96	0.55	4.13	0.68	2.44	.047*
<b>F8</b>	2.97	1.03	2.70	0.83	3.06	1.01	3.03	1.06	2.70	1.11	2.05	.088
<b>F9</b>	1.62	0.51	1.67	0.54	1.62	0.53	1.75	0.49	1.46	0.51	.86	.487
<b>F10</b>	3.59	0.88	3.36	0.80	3.23	0.72	3.13	0.74	2.94	0.49	1.72	.146
<b>F11</b>	3.71	0.77	3.66	0.80	3.93	0.73	3.65	0.83	3.67	0.93	1.63	.165
<b>F12</b>	3.50	1.30	3.40	1.32	3.96	1.08	3.72	1.26	3.46	1.33	2.48	.044*
<b>F13</b>	4.25	0.92	3.69	0.94	3.73	0.87	3.70	0.99	4.12	0.75	0.93	0.44*
<b>F14</b>	4.25	0.92	3.76	1.08	3.44	1.09	3.45	1.21	3.23	1.58	2.11	0.07
<b>F15</b>	3.06	1.17	3.01	1.23	3.09	1.25	3.12	1.17	2.73	1.20	0.30	0.87
<b>F16</b>	2.79	0.79	3.15	0.85	2.89	0.78	3.30	0.92	3.20	0.86	2.25	0.06
<b>F17</b>	2.79	0.79	3.15	0.85	2.89	0.78	3.30	0.92	3.20	0.86	2.25	0.06
<b>F18</b>	4.41	0.23	4.33	0.46	4.25	0.55	4.23	0.50	4.25	0.49	0.64	0.63
<b>F19</b>	3.25	0.88	3.81	0.71	4.01	2.40	3.75	0.79	4.11	0.65	0.70	0.59
<b>F20</b>	3.87	0.74	3.86	0.78	3.91	0.76	4.02	0.67	3.80	0.66	0.39	0.81

\* Significant at 0.05 percent level

Note: A1- Below 21 years, A2- 21-25 years, A3- 26-30 years, A4- 31-35 years, A5- 36-40 years

factors their responses differ significantly at 0.05 levels. Study clearly shows that with age, employee priorities also change. At one point of time he/she gives more preference to salary and at another point of time he/she is found in favor of sup-

portive organizational culture, career development and growth opportunities. He/she needs regular feedbacks and appropriate appraisals. Hence, the null hypothesis is rejected and alternate hypothesis accepted for these factors.

Employees having less than five years of work experience are more attracted towards the BPO industry because of its diverse work culture (mean 4.26) and relatively high salaries (mean 4.23). Employees having experience of more than one year in the same company give priority to work life balance whereas employees with some specialization prefer higher salary and other fringe benefits (Table 6).

**Table 6 Total Experience wise Comparison of Determinants of Talent Retention**

Determinants(F)	TE1 (N=42)		TE2 (N=49)		TE3 (N=103)		TE4 (N=56)		F value	Sig. Value
	Mean	S.D	Mean	S.D	Mean	S.D	Mean	S.D		
F1	4.10	0.46	4.30	.49	4.23	.45	4.38	.46	3.11	.027*
F2	2.89	1.31	3.34	1.25	3.19	1.27	3.23	1.34	0.98	.400
F3	2.35	1.30	2.79	1.42	3.00	1.56	3.19	1.53	2.86	.037*
F4	4.25	0.59	4.26	.34	4.14	.49	4.19	.48	.81	.489
F5	3.91	1.04	4.15	.75	4.14	.67	4.21	.65	1.44	.231
F6	3.34	0.40	3.37	.33	3.32	.40	3.6	.34	.27	.843
F7	3.64	0.71	3.85	.73	3.92	.61	3.83	.58	1.86	.137
F8	3.03	0.88	2.90	.90	2.86	1.00	2.78	.98	.56	.636
F9	1.64	0.53	1.61	.49	1.71	.54	1.58	.53	.88	.449
F10	3.20	0.70	3.25	.74	3.34	.82	3.20	.71	.53	.657
F11	3.79	0.71	3.73	.79	3.78	.78	3.68	.91	.21	.887
F12	3.40	1.41	3.60	1.37	3.78	1.16	3.60	1.18	.98	.400
F13	3.76	0.94	3.84	1.03	3.74	.93	3.64	.74	.39	.757
F14	3.66	1.01	3.71	1.11	3.56	1.21	3.50	1.17	.37	.772
F15	3.08	1.08	2.93	1.29	3.01	1.25	3.16	1.21	.34	.794
F16	2.99	0.85	3.11	.85	3.10	.90	3.10	.77	.20	.891
F17	2.99	0.85	3.11	.85	3.10	.90	3.10	.77	.20	.891
F18	4.26	0.37	4.37	.43	4.26	.539	4.29	.56	.58	.627
F19	3.76	0.72	3.89	.68	3.72	.76	4.18	2.86	1.23	.296
F20	3.73	0.76	3.76	.77	4.02	.71	3.92	.76	2.17	.092

\* Significant at 0.05 percent level.

Note: TE1- Less than 1 year, TE2- 1-3 years, TE3- 3-5 years, TE4- More than 5 years

**Respondent s experience does invite significant differences on opinions in the context of retention factors.**

The F values for work life integration(F1) and proper matching between the job and the person (F3) are significant at 0.05 level indicating different opinions

among the respondents having different experiences. The null hypothesis, thus, stands rejected and alternate hypothesis accepted stating that respondent’s experience does invite significant differences on opinions in the context of retention factors. Table 7 shows that the significant level taken for analysis is 0.05 and 0.01. When the results were considered on the basis of academic qualification it

was seen that the mean score on the different factors affecting employee retention is highest on organization culture (F18) for graduates, work life integration (F1) for post graduates and compensation and flexible benefits (F5) for diploma/other qualifications holders. The lowest mean value is on innovation (F9). Thus, it can be said that graduates, mostly in the age group of 20s give preference to organization culture, especially in the case of BPO organizations where they enjoy late night parties, western culture, frequent team dinners, and get-togethers etc. International BPOs offer western culture to their employees, which is generally enjoyed by

our Indian youth and they give preference to join/stay in these companies, whereas post graduates give preference to work life integration i.e. a balance between their professional verve and personal life so that they can enjoy their social life too as shown by the F-test.

The results obtained (Table 8) exhibited the mean values of domestic and international BPOs regarding all the factors affecting employee retention. The mean value regarding “work life balance” is higher in the case of domestic BPOs (mean = 4.40) in comparison to international ones (mean= 4.23). The t

**Table 7 Qualification wise Comparison of Determinants of Talent Retention**

Determinants(F)	Q1 (N=106)		Q2 (N=129)		Q3 (N=15)		F value	Sig. Value
	Mean	S.D	Mean	S.D	Mean	S.D		
<b>F1</b>	4.17	0.45	4.33	0.47	4.21	.52	3.27	.039*
<b>F2</b>	3.00	1.25	3.31	1.30	3.30	1.35	1.80	.167
<b>F3</b>	2.77	1.46	3.07	1.51	2.26	1.48	2.63	.074
<b>F4</b>	4.22	0.51	4.17	0.46	4.26	.53	0.424	.655
<b>F5</b>	4.16	0.73	4.06	0.79	4.31	.54	1.102	.334
<b>F6</b>	3.36	0.33	3.35	0.39	3.20	.41	1.263	.285
<b>F7</b>	3.88	0.71	3.81	0.61	3.81	0.63	0.371	.690
<b>F8</b>	3.09	1.02	2.71	0.88	2.84	0.94	4.474	.012*
<b>F9</b>	1.62	0.54	1.63	0.52	2.06	0.25	4.926	.008***
<b>F10</b>	3.25	0.72	3.28	0.79	3.26	0.88	0.059	.943
<b>F11</b>	3.81	0.82	3.71	0.79	3.70	0.66	0.455	.635
<b>F12</b>	3.48	1.30	3.76	1.18	3.73	1.38	1.511	.223
<b>F13</b>	3.70	0.97	3.77	0.87	3.80	0.89	0.162	.851
<b>F14</b>	3.58	1.08	3.59	1.20	3.70	1.13	0.063	.939
<b>F15</b>	3.04	1.24	3.12	1.18	2.40	1.22	2.384	.094
<b>F16</b>	3.07	0.85	3.11	0.87	2.88	0.67	0.502	.606
<b>F17</b>	3.07	0.85	3.11	0.87	2.88	0.67	0.502	.606
<b>F18</b>	4.30	0.48	4.28	0.50	4.28	0.61	0.063	.939
<b>F 19</b>	3.91	2.14	3.89	0.73	3.30	0.75	1.149	.319
<b>F 20</b>	3.84	0.75	3.96	0.73	3.80	0.79	0.802	.449

\*Significant at 0.05 percent level.

\*\* Significant at 0.01 percent level

\*\*\* Significant at 0.00 percent level

Note: Q1- Graduate, Q2- Post Graduate, Q3- Diploma in specialized areas.

**Table 8** Type of BPO wise (Domestic & International) Comparison of Determinants of Talent Retention

Determinants (F)	Domestic (N=40)		International (N=210)		t-value	Sig. Value
	Mean	S.D	Mean	S.D		
<b>F1</b>	4.40	0.46	4.23	0.47	2.09	0.041*
<b>F2</b>	3.17	1.31	3.18	1.29	0.04	0.965
<b>F3</b>	3.45	1.48	2.79	1.49	2.55	0.013**
<b>F4</b>	3.92	0.66	4.25	0.42	2.99	0.004***
<b>F5</b>	4.01	0.54	4.14	0.79	1.22	0.226
<b>F6</b>	3.14	0.47	3.38	0.34	3.07	0.004***
<b>F7</b>	3.83	0.69	3.84	0.65	0.07	0.940
<b>F8</b>	2.12	0.53	3.02	0.95	8.43	0.000***
<b>F9</b>	1.62	0.49	1.66	0.54	0.42	0.669
<b>F10</b>	3.25	0.81	3.27	0.75	0.18	0.857
<b>F11</b>	3.65	0.76	3.77	0.80	0.88	0.382
<b>F12</b>	3.90	1.12	3.59	1.27	1.521	0.134
<b>F13</b>	3.71	0.97	3.75	0.90	0.205	0.838
<b>F14</b>	3.76	1.03	3.56	1.16	1.076	0.286
<b>F15</b>	2.97	1.43	3.06	1.18	0.360	0.720
<b>F16</b>	3.05	0.83	3.09	0.85	0.301	0.764
<b>F17</b>	3.05	0.83	3.09	0.85	0.301	0.764
<b>F18</b>	4.21	0.56	4.30	0.48	0.943	0.350
<b>F 19</b>	4.01	0.73	3.84	1.60	1.068	0.288
<b>F 20</b>	4.01	0.67	3.88	0.76	1.086	0.282

\* Significant at 0.05 percent level.

\*\* Significant at 0.01 percent level.

\*\*\* Significant at 0.00 percent level.

value is 0.04, which is significant at 5 percent level. It reveals that for the employees of domestic BPO companies maintaining work life balance is the major issue for leaving their jobs because of stress and other variables than the employees of an international BPO where employees feel organization culture is the major factor which influences their decision of staying or leaving the organization. The other factors that have significant difference in its mean value are proper matching between job and person, rewards and recognition, employee involvement and fringe benefits. The extent of mean values also conveys the

same. The t value endorses a significant difference ( $p \leq 0.011$ ) between the two companies. The same is also indicated by the mean values. However, both types of companies have one factor in common which prompts an employee to think about leaving an organization, which is innovation.

**For the employees of domestic BPO companies maintaining work life balance is the major issue for leaving their jobs because of stress.**

## Conclusion

The retention of talented staff is becoming difficult day by day due to the complex nature and demand of the work and the inability of the management to understand the needs of the recruits prompting them to seek alternative employment. The results of the research clearly show that there lies a significant disparity between the opinions of respondents regarding determinants of their retention decision. The study draws out that the respondents regard the organization culture followed by work life integration and compensation as the most prominent organizational determinants that they consider while planning a job change. Thus, the determinants affecting employees' decision to stay or leave the BPO-ITeS sector, in Indian perspective, primarily depends on the culture of organization. This is probably due to the fact that working conditions influence the performance level and also the job satisfaction of the employees. The next in the order of importance is the work life balance. This is quite as anticipated especially in the Indian scenario where family life is given the utmost importance and domestic reasons are crucial in deciding where an individual would go to work. Results also show that demographic factors like age, qualification, gender, experience etc., too have significant relationship with the employee retention. While a good number of responses due to inequality in qualifications have been found significantly divergent on the fringe benefits dimension of employee retention, age of an employee also impacts his retention decision. With the age and grow-

ing experience, employee priorities also change. At one point of time he/she gives more preference to salary and at another point he/she is found in favor of supportive organizational culture, career development and growth opportunities. Therefore, the employers and organizations need to go for introspection whether they are willing to create the desired "green pastures" in the same organization or would let the employees search for the same somewhere else.

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