

Vol III Issue II August 2013

Impact Factor : 1. 2018

ISSN No :2231-5063

Monthly Multidisciplinary Research Journal

Golden Research Thoughts

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IMPACT FACTOR : 1. 2018

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RNI MAHMUL/2011/38595

ISSN No.2230-7850

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HUMAN RESOURCE CHALLENGES BEFORE INDIAN BPO-ITES & RETAIL SECTORS

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Abstract: The Indian BPO-ITeS and Retail sectors provide employment opportunities to youths. However, the unique working condition poses challenges before Human Resource professional which have more prominence in these sectors. The samples consist of 160 BPO & Retail employees Mumbai and its suburbs. The data were analyzed in terms of the analysis of variance. The results obtained in this study revealed that retail sector employees and particularly women employees have higher health problems. However, BPO-ITeS sector employees have higher intention to quit job. There is no significant difference between employees of both sectors on organizational commitment.

Keyword: BPO-ITeS sector, Human Resource, Health, Organizational Commitment, Retail sector, Turnover Intention.

INTRODUCTION:

In the recent time BPO and Retail sectors are fastest growing sectors and known as sunshine sectors. The Indian BPO-ITeS and Retail sectors provide employment opportunities to youths. These sectors created new job opportunities for Indian youths. However, the unique working condition poses challenges before Human Resource professional which have more prominence in these sectors. The plethora of job opportunities in these sectors has on one side opened up the gateway for youth employment; but on the other side, encouraged job changing among them. The employee turnover is an important issue that may influence the ability of these sectors in attracting and retaining the best talent. The problem of employee turnover is not only due to the losses incurred on training, but it also impacts business viability resulting from lack of continuity in the personnel. The major challenge faced by the BPO-ITeS and retail related to employee turnover. Turnover is a serious issue as it costs the organization money in direct expenses to recruit and train them and in indirect expenses to pay overtime for remaining workers, when necessary. Employee turnover is a much studied phenomenon (Arnold & Feldman, 1982; Camp, 1993, Cuskelly & Boag, 2001).

Various estimates suggest that the BPO industry begins to making a profit on investment made after a short period of nine months. Exit of any employee before this period, costs the organization up to five times of paid salary (Aswathappa, 2008). There is a strong link between intentions to quit and actual turnover (Hellman, 1997, Mobley, 1977, Steel & Ovalle, 1984). Thus, it is relevant for the present researcher to examine the reasons behind employee's intentions to leave an organization.

An early review article of studies on turnover by Mobley, Horner & Hollingsworth (1978) revealed that age, tenure, overall satisfaction, job content, intentions to remain

on the job, and commitment were all negatively related to turnover. They noted that the relationship between intentions and turnover is consistent and generally stronger than the satisfaction-turnover relationship and behavioral intention is primarily an antecedent to actual behavior.

An understanding of what precedes actual turnover can help managers to predict an employee's intention to leave and make changes in human resource policy, so that employees may re-examine their current situation and decide to stay. Hence, the BPO-ITeS sector can be benefited by the present study findings where employee turnover rate is higher.

The real assets of the organization are committed employees. However, employers are not able to understand the reasons for employee turnover. Many BPO-ITeS managers have little understanding about the relationship between organizational commitment and employee turnover. Thus, an unambiguous definition of organizational commitment is required. Various researchers have tried to define organizational commitment and the pioneers among them are Mowday, Porter, & Steers (1982) and Allen & Meyer (1990).

In the literature of organizational commitment, the behavioural and attitudinal schools of thought are predominant. The behavioural conceptualization of organizational commitment is based on the work of Becker (1960), who postulated the side-bet theory of commitment which states that organizational members link their extraneous interest with a consistent line of activity associated with their employment.

The attitudinal conceptualization is characterized as an intense and positive orientation towards an organization which develops largely within the affective domain. Consistent with the conceptualizations of Mowday, Porter & Steers (1982) and the affective commitment

component of the Meyer and Allen model (1991), organizational commitment is considered as the acceptance of the organization's goals and values as one's own, identifying affectively with an organization, and want to exert substantial effort on behalf of the organization in order to achieve organizational goals.

Organizational commitment is also defined as, "the relative strength of an employee's identification with and involvement in a particular organization". The three factors influencing organizational commitment are a) acceptance of the organization's goals and values, b) willingness to work on behalf of the organization and c) strong motivation to remain in the organization (Mowday, Porter & Steers, 1982).

Organizational commitment is also defined as, "a state in which an employee identifies with a particular organization and its goal, and wishes to maintain membership in the organization" (Robbins, 1996). There are various factors related to employee commitment. The BPO-ITeS and retail sector employees' deal with unique job demands on day-to-day basis compared to other contemporary service sectors. Factors like health and turnover intention are linked with commitment in a particular type of work. The job demands and the never ending targets may have an adverse effect on the health of workers. Both these sectors offer better career options and significantly higher pay packages than other contemporary sectors. However, most of the BPO-ITeS jobs are deskbound in nature. In BPO employees require to seat at one place for long time in front of a computer; and in retail employees are expected to help customers by standing on a one shopping area. They have to deal with demanding customers and reply to their queries and assist them within a stipulated time.

The organizational health perspective recognizes the fact that a happy and satisfied employee is of little value unless the employee is also performing effectively and productively. Likewise, having an efficient and productive organization is of little value if this is achieved at the expense of employee wellbeing (Hart & Cooper, 2002). Good mental health includes a balance between mind, body and spirit. Physical illness influences mental health, and both affect the human spirit (Kahn & Fawcett, 2004). An attempt is made in the present study to understand employee health issues in the BPO-ITeS sector.

Thus, better understanding of these factors can facilitate further research; identify strategies for employee selection, promotion, and training; and for reducing health problems, turnover; and increasing commitment of future employees of the BPO-ITeS and retail organizations.

Hypotheses

- a) There is a significant difference between employees of the BPO-ITeS and retail sectors on turnover intention.
- b) There is a significant difference between the BPO-ITeS and retail sectors employees on organizational commitment.
- c) There is a significant difference between the BPO-ITeS and retail sectors employees on health.

METHOD:

Participants

The sample constituted of 160 employees (80 Men and 80 Women) working in BPO-ITeS and organized retail sector within age range of 18 to 30 years. The sample for the BPO-ITeS sector consists of customer relation associates (CRA) and/or customer service representatives (CSR) of various BPO-ITeS companies and the sample for organized retail sector consists of customer relation assistant of various retail formats, from Mumbai and its suburbs. Purposive sampling technique was used. In the present study 2 x 2 factorial design is used. The data were analyzed by using analysis of variance.

Research Tools

This research was conducted by using following three separate tools.

Intention to Turnover Questionnaire

The turnover intention of the employee is measured by the intent to turnover measure (US Department of Health & Human Services, 2005). This instrument was initially developed in 1975 as part of a larger survey instrument measuring employee perceptions (from the Michigan Organizational Assessment Questionnaire or MOAQ). This instrument has been used with many different occupational samples (Cammann, Fichman, Jenkins, & Klesh, 1983).

Organizational Commitment Questionnaire (O.C.Q.)

Organizational commitment is assessed by using a 15-item measure developed by Mowday, Steers and Porter (1979). This scale assesses identification of an employee with an organization. An examination of the psychometric properties of the OCQ by Mowday et al. (1982) revealed internal consistency among the items, test-retest reliability, and evidence for the predictive validity of the instrument. Internal consistency reliability of scale ranges from 0.80 to 0.90 for the long version and construct validity is reported.

C.M.I. Health Questionnaire (CMIHQ)

The physical distress and emotional or psychological distress among participants is assessed by using C.M.I. health questionnaire. C.M.I.H.Q. is developed by Wig, Pershad and Verma (2002), which is based on the original Cornell Medical Index Health Questionnaire (CMIHQ).

Procedure

The store managers and HR Managers of BPO-ITeS and retail organizations were approached for data collection. They were provided with general nature of the research and confidentiality of results of the study was assured. After obtaining the necessary permission data was collected from the employees. The completed intention to turnover questionnaire, organizational commitment questionnaire and CMI Health questionnaire were collected. After collection of data; verification, scoring, tabulation and analysis were done.

RESULTS AND DISCUSSION

The present study indicates that employees of the BPO-ITeS and retail sectors differ from one another significantly on health and turnover intention. Health problems are higher among retail sector employees. Turnover intention is found to be higher in the BPO-ITeS sector employees than in the retail sector employees. There are also no gender differences on organizational commitment. Nevertheless, BPO-ITeS and retail sectors employees do not differ significantly on organizational commitment.

Turnover Intention

The results of the descriptive statistics of the means and standard deviations are shown in Table 1.1; and Table 1.2 shows the results of ANOVA for turnover intention.

Table 1.1
Means and Standard Deviations for Turnover Intention

Type of the Sector	Gender of Employee	Mean	SD	N
Retail Sector	Women Employee	10.35	4.312	40
	Men Employee	10.43	4.272	40
	Total	10.39	4.265	80
BPO-ITeS Sector	Women Employee	14.30	4.404	40
	Men Employee	12.40	4.808	40
	Total	13.35	4.680	80
Total	Women Employee	12.33	4.765	80
	Men Employee	11.41	4.627	80
	Total	11.87	4.704	160

Table 1.2
Analysis of Variance for Turnover Intention

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
SECTOR	351.05	1	351.056	17.69	.000
GENDER	33.30	1	33.306	1.67	.197
SECTOR * GENDER	39.00	1	39.006	1.96	.163
Error	3094.87	156	19.839		
Total	26057.00	160			

Perusal of table 1.2 shows a significant main effect for sector, $F(1, 156) = 17.69$, $p < .05$ and no significant main effect for gender, $F(1, 156) = 1.67$, $p > .05$. This indicates that sector of the employees significantly affects the turnover intention. Perusal of table 1.1 shows that BPO-ITeS sector employees scored higher ($\bar{x} = 13.35$) on turnover intention than the employees of retail sector ($\bar{x} = 10.39$). Thus, the null hypothesis of no difference between groups is rejected.

The observed findings of higher turnover intention indicates that the sector of employee, i.e. where he or she works is more important and relevant than the gender of the employee with regard to the intention to leave the job.

In the BPO-ITeS sector, ample employment opportunities are available for highly skilled and experienced individuals who are fluent in spoken English. They can negotiate for higher pay, better positions and good perks. Thus, there is a higher tendency of turnover intention among these employees.

Though the retail sector is also growing, there are fewer employment opportunities with high pay/salaries in

this sector when compared to the BPO-ITeS sector. In this sector, sales employee are generally less educated and do not have spoken English language proficiency. They have fewer chances in getting higher paid jobs in any other retail format. Thus, they stick to the same organization for a longer duration and have a lesser tendency of turnover intention.

ORGANIZATIONAL COMMITMENT

A two-way ANOVA was conducted to examine the effect of gender and sector on organizational commitment. The results of the descriptive statistics of the means and standard deviations are shown in Table 1.3; and Table 1.4 shows the results of ANOVA for the organizational commitment.

Table 1.3
Means and Standard Deviations for Organizational Commitment

Type of the Sector	Gender of Employee	Mean	SD	N
Retail Sector	Women Employee	67.43	9.599	40
	Men Employee	68.15	11.827	40
	Total	67.79	10.709	80
BPO-ITeS Sector	Women Employee	67.90	11.920	40
	Men Employee	66.53	12.233	40
	Total	67.21	12.021	80
Total	Women Employee	67.66	10.756	80
	Men Employee	67.34	11.983	80
	Total	67.50	11.351	160

Table 1.4
Analysis of Variance for Organizational Commitment

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
SECTOR	13.22	1	13.225	.101	.75
GENDER	4.22	1	4.225	.032	.85
SECTOR * GENDER	44.10	1	44.100	.337	.56
Error	20426.45	156	130.93		
Total	749488.00	160			

Table 1.4 shows the result of ANOVA for organizational commitment. There was no significant main effect found for sector, $F(1, 156) = .10$, $p > .05$ and gender, $F(1, 156) = .08$, $p > .03$. There was no interaction between gender and sector, $F(1, 156) = .33$, $p > .05$. This shows that men and women employees of the BPO-ITeS and retail sectors do not differ significantly from one another on organizational commitment. Thus, the null hypothesis of no difference between the groups is accepted.

The observed trend of the present study which indicates no significant differences in sectors or genders on organizational commitment seems to suggest that the BPO-ITeS and retail sectors employees equally accept the organizational goals, make efforts to fulfil job demands and want to remain loyal to their respective organizations. The similar commitment in both the groups indicates that other than health and turnover intention; diverse organizational variables may be interacting for organizational commitment. Health

The results of the descriptive statistics of the means and standard deviations are shown in Table 1.5; and Table 1.6 shows the results of ANOVA for health.

Table 1.5
Means and Standard Deviations for Health

Type of the Sector	Gender of Employee	Mean	SD	N
Retail Sector	Women Employee	33.70	14.509	40
	Men Employee	31.38	15.845	40
	Total	32.54	15.141	80
BPO-ITeS Sector	Women Employee	23.10	13.521	40
	Men Employee	18.75	7.585	40
	Total	20.92	11.110	80
Total	Women Employee	28.40	14.921	80
	Men Employee	25.06	13.881	80
	Total	26.73	14.462	160

Table 1.6
Analysis of Variance for Health

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
SECTOR	5394.006	1	5394.00	30.73	.00
GENDER	445.556	1	445.55	2.53	.11
SECTOR * GENDER	41.006	1	41.00	.234	.62
Error	27374.87	156	175.48		
Total	147585.00	160			

A significant main effect was found for sector, $F(1, 156) = 30.73$, $p < .05$ and no significant main effect was found for gender, $F(1, 156) = 2.33$, $p > .05$. This indicates that sector of the employees significantly affects the health. The retail sector employees scored significantly higher ($\bar{X} = 32.54$) on health than the employees of BPO-ITeS sector ($\bar{X} = 20.92$). Thus, the null hypothesis of no difference between groups is rejected. However, minute scrutiny of table 1.2 reveals that women employees of both sectors reported higher health problems than men employees.

The pattern of the result shows both men and women employees of retail sector score significantly higher on health and have shown more health problems than the BPO-ITeS employees. Further scrutiny of the results depict that women (of both the sectors) suffer on health. Specifically women employees in the retail sector have higher health problems than men employees.

The study findings of Eskelinen, Toikkanen, Tuomi, Nygard, & Ilmarinen (1990) support this trend of higher health problem in women employees. They reported that the high level of reaction to physical stress seemed to indicate a true discrepancy between the physical capacity and the work demands of women involved in physical work.

The differences on health problems among employees are attributed to organizational human resource practices. In retail sector employees are supposed to stand for long duration without any break or provision for seating. They have to constantly help customers for their buying

decision. The retail employees reported cramp and pain in legs and indigestion problems. There is little attention is given by organization towards employee health. However, BPO-ITeS organizations provide various employee health promoting measures. As reported by Vaish (2007), "Outsourcing firms are tackling health complaints by providing employees with good nutritional advice and support, free or subsidised healthy meals and regular health check-ups." Further Vaish states that, "stress is addressed in a variety of ways - from meditation and yoga to counselling and "walk-in" policies that allow employees easy access to their seniors at any given time to discuss their problems".

CONCLUSION:

The patterns of the results show that health problems are more prevalent in the retail sector. BPO-ITeS sector employees have higher turnover intention. There is no significant difference between employees of both sectors on organizational commitment. These findings on health suggest that organizational practices and job demands are associated with health and turnover intention of the employees.

IMPLICATION OF THE STUDY:

The present study on the BPO-ITeS and retail sectors employees is useful for policy formulators. This provides better insight on organizational commitment, turnover intention, and psychological and physical health of the BPO-ITeS and organized retail sectors employees. The results from this study could be used to assist managers to create organizational health promoting policies and better recruitment and selection process. That supports a dynamic work force within the BPO-ITeS and retail sectors and fulfills HR challenges posed by these sectors.

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