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Abstract: This paper aims to investigate the impact of variables (career development, supervisor support, work environment, work life balance) on employee retention. A total of 50 interviews were taken from managers of different BPO organizations in Pakistan. Graphical Analysis is indicating that these variables have significant and positive impact on employee retention. Very less research have been done about employee retention in business process out sourcing, especially in Pakistan. So, these finding will provide some insights to BPO's managers to make policies about employee retention in Pakistan.

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I. INTRODUCTION

Business Process Outsourcing, commonly known as BPO, is one of the most booming sectors in the Pakistan industry. Since its inception, the Pakistan BPO industry has grown at a constant annual rate of 20-30 percent and within a couple of years, Pakistan managed to secure the position of the one of the most preferred and low cost destination for business process outsourcing. The Pakistan BPO industry is expected to generate .2 million jobs by the year 2010. Ironically, in spite of the tremendous growth potential of the sector, attrition rate and the manpower crisis is dampening the growth of the sector. The human resource professionals of the BPO industry are facing various challenges like the attrition rates and its implications, skill shortages, retaining the employees etc. The sources of recruitment used by the BPO companies are advertisements, employee referrals, outsourcing and walk-ins. The Pakistan BPO industry, which established itself as the low-cost destination for business process outsourcing in just a couple of years, is losing its position as the low- cost destination because of the rising people costs.

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According to the NASSCOM reports- The IT-ITeS industries are struggling with the critical issue of acquiring and sustaining manpower in the industry. The BPO industry – one of the most rapidly growing sectors in the Pakistan industry is grappling with the issues of skill shortages, high attrition rates, and performance management along the confidentiality and security concerns. All these issues are having a negative impact on the BPO industry. Human Capital is the most crucial resource on which the Information Technology & Information Technology Enabled Services (IT & ITES) industry in India depends. Next to the location advantage that India has, the factor for the country's immense success in the overseas markets, is its abundant & cost effective human capital which is one of the key asset that has kept India sustain its edge in the ITES sector. Human Resource (HR) professionals all over the world, working in Call-Center or Contact Center or BPO industry are leaving no stone unturned to formulate strategies to retain human capital, but nothing is working in their favor. In spite of all their trials the average attrition rate in the BPO this sector is still very high.

II. LITERATURE VIEW

Certain business processes of the client are transferred over to the vendor, and the vendor's office then becomes the "back office" for the client's outsourced business processes. The vendors are given the responsibility to manage the client's business processes, such as call centers, emergency hotlines, claims management, helpdesks, data management, document processing and storage, financial services (banks and insurance), payroll, auditing, accounting, travel management systems, various logistics and information systems services (Millar, 1994, as cited in Lacity & Hirschheim, 1995, pp. 4-5; Sparrow, 2003, p. 11). Hence, a BPO vendor needs to have the capability to provide consistent levels of customer service spanning across a range of services and businesses. Trade in services has been assuming a prominent place in the global economy in recent times

(see IMF reports). A number of services that could previously be delivered only through commercial presence have now become deliverable by cross-border trade. There are many developments, which have led to this growth, the most fundamental being the development of IT, and communication technology networks. Further, opening up of the market by many nations to allow the commercial presence of the other nations in their respective economies have helped to bring foreign direct investment into the services sector. Recognizing the significance and growing role of services in the global and national economy, the Uruguay Round broadened the scope of multilateral trade negotiations under WTO to include services for the first time in the history of trade negotiations. The result of these negotiations was the General Agreement on Trade in Services or GATS, which came into force on 1st January 1995.

As far as trade in services in Pakistan is concerned, within the general services sector, the role of information and communication technology has been significant. As mentioned above, with the development of information and communication technology (IT), service delivery mechanism has changed radically. Consequently, services that can be handled using computers and telecom networks have come to play a significant role in the Pakistan economy. Business process outsourcing (BPO) industry is a result of this technological revolution. While there are a lot of discussions over this sector in media and elsewhere, Before moving further it is appropriate to define certain terminologies used in the context of this industry. Business process outsourcing (BPO) generally refers to the operation of letting out the task of performing certain functions of an enterprise to another enterprise, often a third party and, in some cases, a subsidiary of its own. These functions are usually non-strategic and non-core in nature though they can be very critical for a business enterprise (Williamson, 1967, for a discussion on problems of vertical integration).

Outsourcing of some activities to a distant location has become possible due to the development of information technology (IT). Such cross-border IT-based services, usually termed IT enabled services, are functions that are provided from one location to another over telecommunication or data networks (through wire line or wireless devices) and are either externally contracted (third party outsourcing) or provided by a remote subsidiary of the same company (captive BPO). Many of the well-known multinational foreign companies such as GE Capitals, Hewlett Packard, and Bechtel are benefited by locating their subsidiaries in cost effective countries like Pakistan. In BPO literature, three terminologies are used as below, depending upon the distance of outsourced location from the parent company.

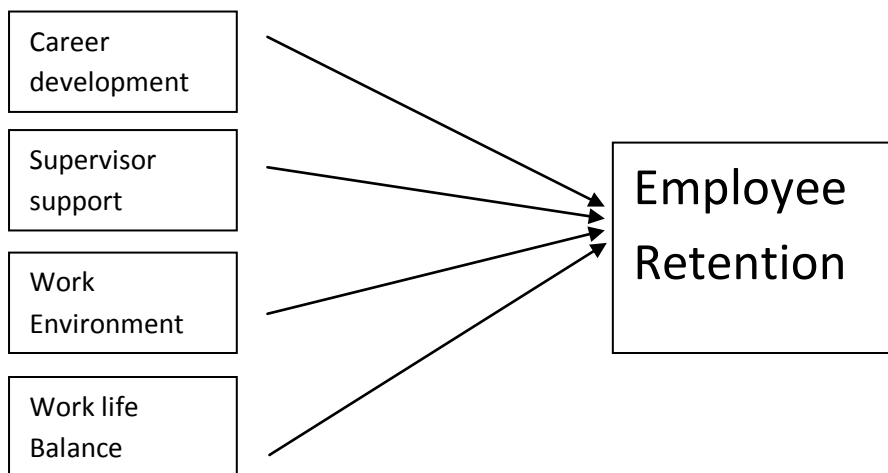
- i. On-shore BPO: When an enterprise outsources its activities to another company located in the same country.
- ii. Near-shore BPO: When activities are outsourced to a neighboring country.
- iii. Off-shore BPO: When business processes are outsourced to a remote or far off country.

The story begins in 1998 when Align technology, a Bay Area-based medical device manufacture established its offshore operation in Lahore, Pakistan in order to reduce the cost of its back office operations. The founder and CEO of Align Technology Mr. Zia Chisti selected Lahore city for his offshore operations because he felt that the familiarity he had with his home town would be beneficial in establishing, executing, and operating the company. The Lahore based facility comprised of (1) three-dimensional graphic modeling services to support Align's manufacturing operations, and (2) a call center services to support its marketing efforts. By the year 2000 this offshore center of the company had grown substantially having employee strength of 700. Then September 11, 2001 happened the consequence of which was the increase in the geo-political Risk Perception of Pakistan and its surrounding areas. The company was therefore forced to relocate part of its offshore operations to Costa Rica. Sometime later in 2002, The Resource Group (TRG) was established in Lahore, Pakistan, through the acquisition Align's offshore call center operations. But currently there is great competition in business process outsource (BPO) industry (Khaishgi, 2008).

III. RESEARCH METHODOLOGY

A cross sectional study is made to determine how employee retention depend upon number of factors (career development, supervisor support, working environment and work-life balance) interview technique is adopted to collect the data from the executive managers of said industry. This field study examined the relationship of factors; data were collected from below organization. Organization were Abacus, Ovex technologies, TRG, Flights R us and Continent Holiday.

Theoretical Framework



IV. RESEARCH VARIABLE

The variables that are being considered are described in the theoretical framework. Employee retention is the dependent variable, which is going to be checked for a relationship with career development, supervisor support, working environment and work-life balance that are independent variables.

originations 10.3 percent were from Abacus, 24.1 percent were from Ovex technologies, 27.6 percent were belong to TRG, 20.7 percent were from Flights R us and 17.2 percent were from Holiday.

V. DATA COLLECTION

The data collection was done through both primary sources. It was collected through Interview by a structured questionnaire. The interviews were conducted among Middle and Upper Level of managers of BPO organizations. The survey period spanned 14-days for collecting data. The advantage of selecting this method is to gather the correct information because some are don't responds well on questionnaire. The foundation of research is based on the responses and the survey was conducted among the selected population managers of BPO companies of Pakistan. The sample size was of 50.

VI. DATA ANALYSIS

After analysis of feedback demographics was male respondents were 93 percent and female respondents were 7 percent. In which 89.7 percent respondent's age were below 30 years and just 10.3 percent respondent's age were fall between 30 to 40, and there is non respondent falls in above 40 years old. The percentage of respondents who have experience of below three years were 65.5 percent, respondents who have 3 to 5 years experience were 24.1 and 10.3 percent respondents who had experience five years and above. All respondents were belong to different



VII. ANALYSIS OF VARIABLES

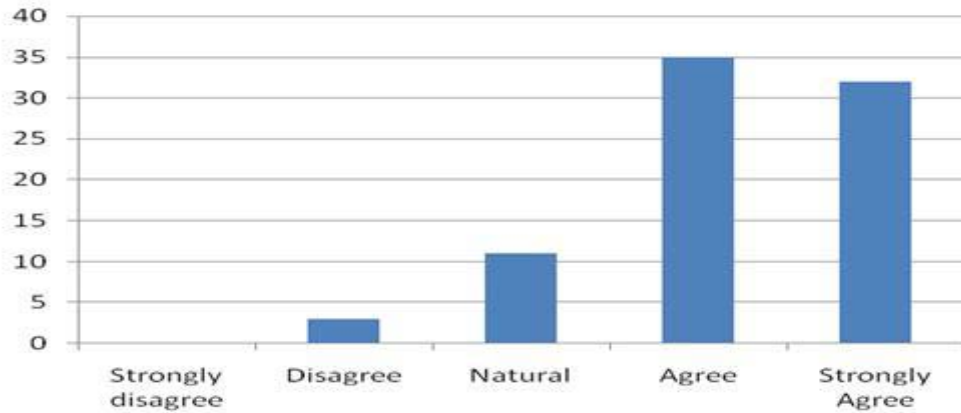


Figure 1: This figure is showing the result of all respondents about employee retention with their organizations. Most percentage of the respondents is

falls in agree and strongly agree category. Very low percentage of respondents is in other categories.

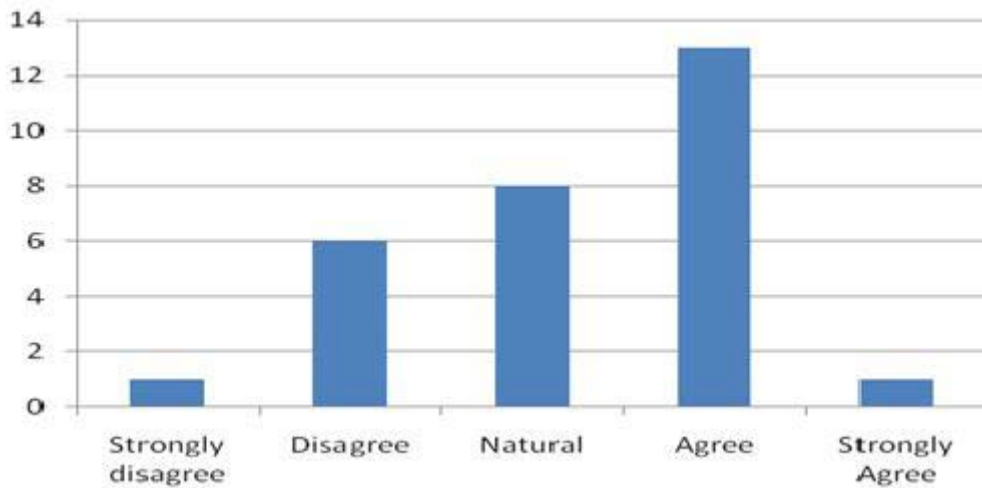


Figure 2: During interview a questions were asked to respondent, which were related to their career spending with their organizations, result as you can see in above this figure (2) most of respondents want to spend their career with their organizations, there are very few

respondents who don't want to spend their career with their organization. As you see the trend is going up towards agree. It means majority of respondents are wanted to spend their career within same organizations.

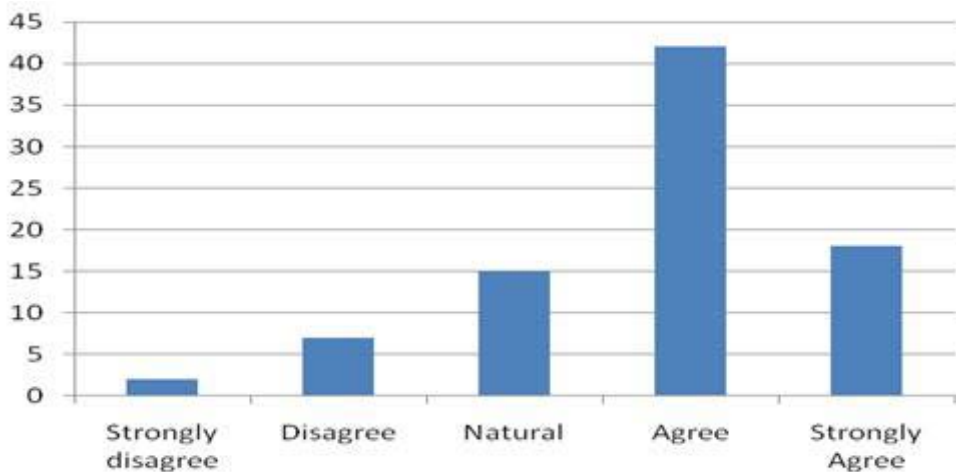


Figure 3: As you can see in figure .3 majorities of respondents were agreed that they are satisfied with their supervisors or boss. There are very fewer respondents falls in strongly disagree and disagree,

tend is showing positivity about the behavior of supervisors towards their employees. As you can see in this figure high percentage of respondents is on agree and second high percentage is strongly agree.

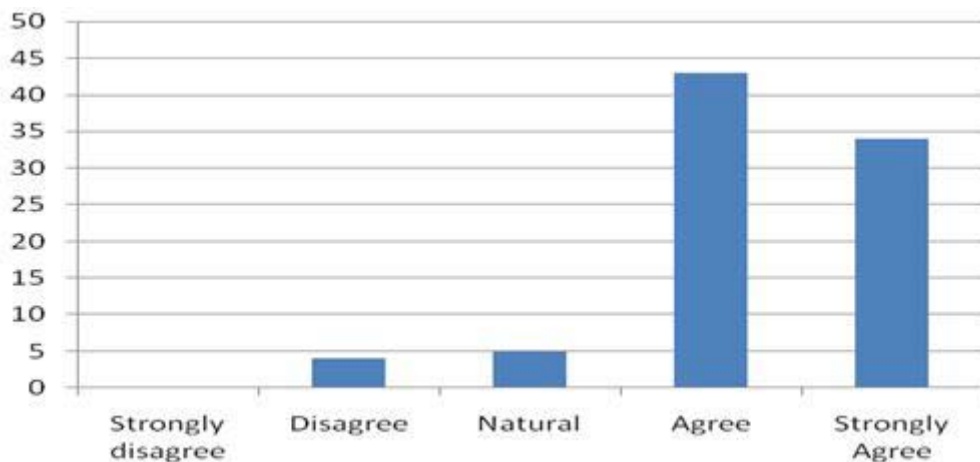


Figure.4: In figure .4 respondents show how much are they agree with their organization's working environment? Most of the respondents are agree with their organization's working environment, there is no one

who fall in strongly disagree, there are very few respondents who have natural opinions and disagree with their current organization's working environment.

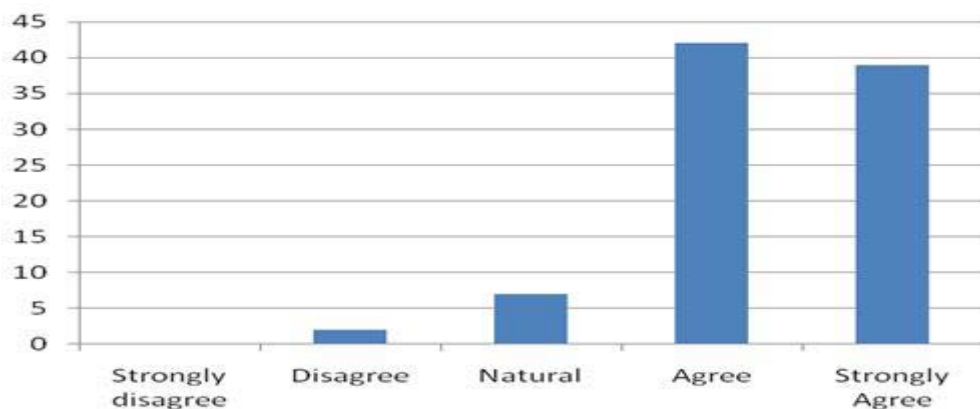


Figure 5: In figure .5 showing the result of work life balance of respondents in their organizations, as you

can see in figure.5 a very high percentage of respondents falls in agree and strongly agree category,

there is non respondent who said I don't have work life balance with his organization. It means that most of

respondents feel that they have work life balance with their organizations.

Correlations						
		EmployeeReten tion	CareerDevelop ment	SupervisorSup port	WorkEnvironmen t	WorkLife balance
Employ eeRete ntion	Pearson Correlation	1	-.256	.035	.149	.358*
	Sig. (2-tailed)		.003	.009	.001	.011
	N	50	50	50	50	50
Career Develo pment	Pearson Correlation	-.256	1	-.024	-.199	-.342*
	Sig. (2-tailed)	.003		.039	.015	.015
	N	50	50	50	50	50
Supervi sorSup port	Pearson Correlation	.035	-.024	1	.065	.103
	Sig. (2-tailed)	.009	.039		.004	.046
	N	50	50	50	50	50
WorkEn vironm ent	Pearson Correlation	.149	-.199	.065	1	.645**
	Sig. (2-tailed)	.001	.015	.004		.000
	N	50	50	50	50	50
WorkLif ebalan ce	Pearson Correlation	.358*	-.342*	.103	.645**	1
	Sig. (2-tailed)	.011	.015	.046	.000	
	N	50	50	50	50	50
*. Correlation is significant at the 0.05 level (2-tailed).						
**. Correlation is significant at the 0.01 level (2-tailed).						

Figure.6: In figure.6 showing analysis of correlation at 5% of level significance, $p < .05$ in all independent variables (career development, supervisor support, work environment and work life balance) to dependent variable (employee retention) are significant at level of 5% with respect to impact of variables on employee retention. It means they all have significant impact on employee retention.

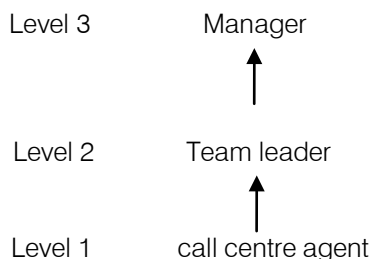
(2,3,4,5) . If you see in figure 1 it is also showing that a very high percentage of respondent's falls in agree and strongly categories, it means these variables have a significant impact on employee retention. These all have positive impact with each others and it is also telling that if these variables positively will be in BPO organizations then its employee retention rate will be (positive) high.

VIII. CONCLUSION

The main objective was to investigate the impact of variables (career development, supervisor support, work environment and work life balance) on employee retention in BPO industry. All respondents were from different organizations in BPO industry in Pakistan. The result of this study shows that these variables have strong impact on employee retention. High percentage of the respondents are falls in agree and strongly agree category in variables graph figures

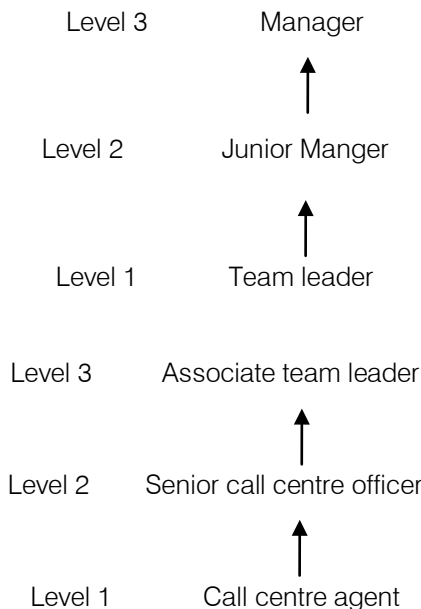
IX. RECOMMENDATION

Changing perception of employees from life style to career the perception of the employee about the BPO has to change from being a life style to a career option. One way of doing this is to re-construct the organization structure. The chances to climb the corporate ladder should be made to look bright. In the present day the options that a BPO employee has in climbing up the corporate ladder is as shown in Figure below.



Some modification done to this corporate ladder in increasing the number of levels, can give a prospective picture to the path ahead for a call center agent, and

also will aid to change the perception from life style to career, which will control attrition to a reasonable extent. The modified version is shown in Figure below.



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