

CAREER DEVELOPMENT PRACTICES IN MNC BPO's OF EMPLOYEE PERCEPTIONS

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ABSTRACT

This paper is based on an empirical study of five Indian MNC BPO firms ranked among the top 50. The data was collected using both qualitative and quantitative methods from 243 employees constituting 1% of the population under study. The present study finds that, on an average, the level of satisfaction among the respondents towards the career development practices is at 69.71 per cent, which constitutes "satisfied" on our scale. The regression analysis, using a significance level of 5 per cent, shows that the variables of Having a clearly established career path ($p=.003$), Viewing BPO sector as a long term career option ($p=.001$) and Having a dynamic career path is a must in order to retain the outstanding and high performing employees ($p=.021$) are significantly influencing the satisfaction of the respondents towards the career development practices and all the other variables have emerged as the insignificant variables. Interestingly, all these significant variables are positively associated with the satisfaction of the respondents towards the career development practices and all the variables used in the study collectively account for 25.6 per cent ($R \text{ square} = .235$) of the satisfaction of the respondents towards the career development practices.

KEYWORD: Outsourcing, Perception, Career, Development, BPO

INTRODUCTION

Career development practices in the workplace help companies attract and retain high performing employees (Laabs, 1996; Simonsen, 1999). Research has found that employees are more likely to stay if offered the opportunity to develop. The amount of career support received by employees is positively correlated to their stated intention to remain with their current employer (CIPD, 2005). Career development plans for individuals have been found to be effective in fostering future leaders within the company who have the relevant skills and experiences that will be required to define and implement company strategies (Stringer & Cheloha, 2003). Effective career development practices such as employee growth and development can facilitate healthy organizations (ODonnell, 2007). Practices that contribute to employee development have been linked to employee commitment to the organization, increased productivity and decreased absenteeism and turnover (Grawitch, et al., 2006). The employee turnover or attrition has been reported to be one of the major challenges facing the Indian ITES-BPO industry. One of the prime reasons for employees leaving the BPO jobs clearly includes a lack of career development opportunities among others (Sengupta et al., 2007). Jagadish (2004), on the other hand, opines that the ITES-BPO employees will have a bright international career

and he compares it to the bank employees of „60s and „70s when nationalization was just completed and the employees managed to reach middle and senior level management posts later since banks grew. Given these diversity of opinions with regard to the issue of career development in the BPO firms and the relative lack of empirical research on employees' reactions to the career development practices, there is an imperative need to have empirical studies in this area. In this context, the present empirical study makes an attempt to study and analyze the employee perceptions of the career development practices in Indian MNC BPO firms with a view to understand whether there is actually any kind of dissatisfaction among the BPO employees with regard to the career development practices and also to assess the factors which significantly influence the satisfaction of the employees towards the career development practices.

OBJECTIVES

The present study titled “Employee Perceptions of Career Development Practices in Indian MNC BPO Firms” has the following objectives:

1. To study and analyze the perceptions of the employees with regard to the career development practices of the Indian MNC BPO.
2. To analyze the satisfaction of the employees of the Indian MNC BPO's towards the career development practices.

RESEARCH HYPOTHESIS

The following research hypothesis has been adopted by the researchers:

“The variables of „Having a clearly established career path, „Viewing BPO as a long-term career option and „Having a dynamic career path is a must in order to retain the outstanding and highly-performing employees have a significant and positive association with the satisfaction of the employees towards the career development practices of the Indian MNC BPO firms”.

REVIEW OF THE LITERATURE

Dash et al. (2008) report that the factors perceived as motivating by the ITES-BPO employees, among others, include the factors like the chances of promotion and the opportunities for professional growth. The reason of high growth opportunity has emerged to be the most important reason for the employees to join the BPO jobs in a few studies (Chhabra, 2004; Budhwar et al., 2006). Ironically, the reason of having no growth opportunities/lack of promotion has also emerged as the most important reason for the BPO employees to leave the BPO jobs in many of the studies (Chhabra, 2004; Chakravorthy, 2006; Vashista, 2006; Budhwar et al., 2006). The employees are not ready to accept BPO job as a long-term career and they are taking these jobs as a stop-gap arrangement to pass time (Chhabra, 2004; Sengupta et al., 2007). The reports appearing in newspapers and magazines claim that the mind-numbing, repetitive tasks which the employees perform in the middle of the night will have adverse effects on their health without providing long-term career options (Sengupta et al., 2007). The society refrains youngsters from establishing their careers in this industry because it is considered as „low-brow (Pillai, 2006). Joshi (2010) reports that the reason of good career progression in „other companies has been quoted by the BPO employees as one of the prime reasons as to why people leave BPO jobs. In the opinion of Babu (2004), the BPO work does not provide any scope for skill up-gradation. The work experience in BPO industry is not considered as relevant for other jobs or for doing MBA, etc. Some companies have tied-up with educational institutions for post- graduation programs subsidized by the BPO employers but the impact of this strategy is not yet known. Ramakrishna (2002) suggests that mapping the

individual growth to organizational growth, upholding and educating leadership, ensuring cross-functional participation, providing learning and growth opportunities, leaving space for vertical growth, career mapping and succession planning will result in a world class working environment that motivates and propels people to work better and stay on (Also see Dept. of IT, 2003; Pillai, 2006; Vashista, 2006; Srikanth & Ramamirtham, 2008). Balaji (2004) emphasizes on the strategy of providing internal promotions so as to create a feeling that BPO segment offers good career growth opportunity which, in his opinion, will motivate employees to remain in the industry (Also see Nicholas, 2005; Joshi, 2007; Jarg, 2007). All these studies make one thing certain: the growth opportunities are what the employees of the BPO sector are now scouting for. Keeping these diverse views in mind, the present study on “Employee Perceptions of Career Development Practices in Indian MNC BPO Firms” is undertaken.

RESEARCH METHODOLOGY

The study mainly depended upon the primary data. However, some secondary sources of data were also consulted for the purpose of gathering background information supporting the study. Relevant primary data was collected using a combination of both qualitative (interview) and quantitative (sample survey through questionnaire) methods. The data was collected from five Indian MNC BPO firms which were selected on the basis of the rankings announced by the International Association of Outsourcing Professionals (IAOPs) for the year 2009 as “The 2009 Global Outsourcing 100”. The study covered the units of these MNCs located in Bangalore, considered to be the Silicon Valley of India. Access to these BPO firms was secured through contacts and through networking techniques. Altogether, data was collected from 243 employees constituting 1 per cent of the population under study. The perceptions of the respondents on the six statements, qualifying as the variables selected on the basis of a review of literature, are measured on Likert’s (1932) five-point scale of „strongly disagree..... strongly agree, the scale in quantitative terms being: 0 - 20 per cent: strongly disagree, 21 - 40 per cent: disagree, 41 - 60 per cent: not sure, 61 - 80 per cent: agree, 81 - 100 per cent: strongly agree and the satisfaction of the respondents towards the career development practices is measured again on Likerts (1932) five-point scale of „highly dissatisfied..... highly satisfied, the scale in quantitative terms being: 0 - 20 per cent: highly dissatisfied, 21 - 40 per cent: dissatisfied, 41 - 60 per cent: not sure, 61 - 80 per cent: satisfied, 81 - 100 per cent: highly satisfied. The variables of the career development practices are rated by the respondents on a scale of 1 – 10, the quantitative scale being, 1 – 20 per cent: not at all important, 21- 40 per cent: less important, 41 – 60 per cent: moderately important, 61- 80 per cent: important and 81- 100 per cent: very important. A multiple regression analysis has been made to identify the variables influencing the satisfaction of the respondents towards the career development practices and the results are presented here. Finally, the paper concludes with the researchers contributions to the literature.

RESULTS AND DISCUSSION

CAREER DEVELOPMENT PRACTICES - EMPLOYEE PERCEPTIONS

The views of the respondents on the six selected statements being used to study their agreement towards those statements are presented in Table 1.

Table 1: Employee perceptions of the career development practices

Variable	1 %	2 %	3 %	4 %	5 %	Mea n	S.D.	% Mean
My work develops my skills and knowledge	4.1	6.6	9.9	55.6	23.9	3.88	.981	77.70
I have opportunities to learn and grow	2.1	4.5	10.3	56.0	27.2	4.02	.862	80.33
I have a clearly established career path in my company	4.5	6.6	28.8	45.7	14.4	3.59	.968	71.77
I do consider a job in the BPO sector as a long-term career option	7.4	18.1	23.9	42.8	7.8	3.26	1.076	65.10
If given a chance, I would prefer to work for another industry altogether	3.3	6.6	28.0	42.8	19.3	3.68	.968	73.66
A dynamic career path is a must in order to retain the outstanding and highly-performing employees	1.2	4.1	21.0	53.1	20.6	3.88	.824	77.53

(Note: 1 - strongly disagree, 2 - disagree, 3 - Not sure, 4 –agree, 5 - strongly agree) Source: Survey data

On our scale, the respondents „strongly agree with only one of the statements, that is, I have opportunities to learn and grow (level of agreement = 80.33 percent), and the respondents „agree with five of the statements:

- (a) My work develops my skills and knowledge (level of agreement = 77.70 percent);
- (b) I have a clearly established career path in my company (level of agreement = 71.77 percent);
- (c) I do consider a job in the BPO sector as a long-term career option (level of agreement = 65.10 percent);
- (d) If given a chance, I would prefer to work for another industry altogether (level of agreement = 73.66 percent); and
- (e) A dynamic career path is a must in order to retain the outstanding and highly-performing employees (level of agreement = 77.53 percent).

The satisfaction of the respondents towards the practices being adopted by the management in framing their career paths is presented in Table 2. On an average, level of satisfaction among the respondents is at 69.71 per cent, which constitutes „satisfied on our scale.

Table 2: Satisfaction of the respondents towards the career development practices

Variable	1 %	2 %	3 %	4 %	5 %	Me an	S.D .	% Mean
Are you satisfied with the practices being adopted by the management in framing your career path?	2. 1	11. 1	30. 5	49. 0	7. 4	3.4 9	.86 4	69.71

(Note: 1 – highly dissatisfied, 2 - dissatisfied, 3 - Not sure, 4 – satisfied, 5 - highly satisfied)
 Source: Survey data

The respondents were asked to rate the six variables in terms of their importance in the career development practices on a scale of 1 to 10 and the results are shown in Table 3.

All the six variables have been rated as „important by the respondents:

- (a) The clarity in framing the career path with a percentage mean of 68.68;
- (b) The training and development programs with a percentage mean of 73.29;
- (c) The educational support with a percentage mean of 73.62;
- (d) The identification of career paths and succession paths with a percentage mean of 71.65;
- (e) The dissemination of career option information with a percentage mean of 70.29;
- (f) The career development/advancement opportunities with a percentage mean of 73.37.

Table 3: Rating of the variables of career development practices

Variable	Mean	Std. dev.	Percentage mean
Clarity in framing career path	6.87	2.243	68.68
Training and development programs	7.33	2.020	73.29
Educational support	7.36	2.063	73.62
Identifying career paths and succession paths	7.16	2.028	71.65
Dissemination of career option information	7.03	1.893	70.29
Career development/Advancement opportunities	7.34	2.023	73.37

Source: Survey Data

FACTORS INFLUENCING THE SATISFACTION TOWARDS THE CAREER DEVELOPMENT PRACTICES

A multiple regression analysis was done to identify the variables influencing the satisfaction of the respondents towards the career development practices of the Indian MNC BPO firms under study. A significance level of 5 per cent was used for our analysis.

Table 4: Factors influencing the satisfaction of the respondents towards career development practices

The multiple regression analysis (Table 4) shows that the following variables are significantly influencing the satisfaction of the respondents towards the career development practices being adopted by the Indian MNC BPO firms under study:

- (a) I have a clearly established career path (p=.001);
- (b) Viewing BPO sector as a long-term career option (p=.000); and
- (c) Having a dynamic career path is a must in order to retain the outstanding and highly-performing employees (p=.018).

The following variables have emerged as the insignificant variables:

- (a) My work develops my skills and knowledge ($p=.967$);
- (b) I have opportunities to learn and grow ($p=.431$); and
- (c) Preference to work for another industry altogether ($p=.357$).

All the significant variables are positively associated with the satisfaction of the respondents towards the career development practices as follows:

- (a) I have a clearly established career path (Standardized Beta Coefficient = .302);
- (b) Viewing BPO sector as a long-term career option (Standardized Beta Coefficient = .295);
and
- (c) Having a dynamic career path is a must in order to retain the outstanding and highly-performing employees (Standardized Beta Coefficient = .149).

The contribution of all the three significant variables towards the satisfaction of the respondents with the career development practices (in the descending order), is as follows:

I have a clearly established career path contributes 30.2 per cent (Standardized Beta Coefficient = .302);

Viewing BPO sector as a long-term career option contributes 29.5 per cent (Standardized Beta Coefficient = .295); and

Having a dynamic career path is a must in order to retain the outstanding and highly-performing employees contributes 14.9 per cent (Standardized Beta Coefficient = .149).

However, as per model 1, all these variables collectively account for 38.9 per cent ($R^2 = .389$) of the satisfaction of the respondents towards the career development practices.

Model 1

Model	R	R Square	F	p
1	.623	.389	24.991	.000

HYPOTHESIS TESTING

Multiple regression analysis was used to test the hypothesis and the results are reported in table 4. As discussed already in the previous paragraphs, the regression analysis shows that the variables of „Having a clearly established career path, „Viewing BPO as a long-term career option and „Having a dynamic career path to retain the outstanding and highly-performing employees have a significant and positive association with the satisfaction of the employees towards the career development practices of the Indian MNC BPO firms under study, and hence, the hypothesis being considered by the researchers is accepted.

CONCLUSION

The study has been successful in accomplishing its research objectives and it makes three contributions to the literature. First, the researcher was able to present the perceptions of the employees with regard to the career development practices wherein the employees appear to be somewhat satisfied with the career development practices of the Indian MNC BPO firms. Second, the researcher was able to present how the different variables are rated to be important in the career development practices of the BPO firms. Third and the most important, the researcher was able to analyze the variables influencing the satisfaction of the employees towards the career development practices, wherein the researcher was able to establish that out of the six variables being used in the study, only three variables have emerged as the significant variables and all these three significant variables are positively associated with the satisfaction of

the respondents towards the career development practices and the remaining three variables have emerged as the insignificant variables. The Indian MNC BPO firms under study have been treading the right path in terms of the practices to be adopted for the career development of their employees and the employees report to be satisfied with these practices. But still, the problem with regard to viewing BPO jobs as a long-term career option persists and keeps haunting all the stakeholders.

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