

Retaining the Generation Y Workforce in the ITES Sector of Kolkata

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Abstract: The process of hiring and training new talent is both expensive and time consuming. Attrition hampers business continuity and may result in ramping down of businesses leading to loss of employment opportunities. For the growth and development of the region, both talent and business must be retained in the region. BPO/ITES sector is one of the biggest employers in the Eastern part of India. The BPO/ITES sector in the post pandemic world has experienced high attrition. According to Forbes magazine, by 2025, members of Generation Y will make more than 70% of the global workforce. Individuals born between the years of 1980 & 1999 are roughly designated to be part of the Generation Y. Millennials or Generation Y individuals constitute a major portion of the current employee pool of the ITES sector in Kolkata. For my study, a structured questionnaire utilising Likert scale was used to collect data from the target population – Generation Y employees (employees belonging to the age cohort stretching from 26 years to 45 years) working in the BPO/ITES sector in the city of Kolkata. The research design adopted to study the raw data collected consisted descriptive approach where percentage distribution and pie charts were used to describe the data, alongside techniques like factor analysis (PCA), KMO test to measure adequacy of sample and varimax rotation test with Kaiser Normalization were used for detailed analysis of the data. This helped to identify and analyse the factors that contribute to the attrition of the talent belonging to the concerned generation and in turn employee career stage. The findings of my study will help professional HRs in understanding factors that fuels the intention to attrite amongst the Generation Y employees of the concerned sector. Armed with the understanding, the management will be able to better manage the talent pool and prepare better intervention practices to attract and retain talent. Such retentions will eventually contribute in developing the entire region by making it attractive destination for investors and business firms.

Keywords: Generation Y, Kolkata, Attrition, ITES sector, Employee Career Stage

1. INTRODUCTION

BPO stands for Business Process Outsourcing but in September 2012, the sector was renamed as BPM - Business Process Management by NASSCOM as an effort to rebrand the booming sector which according to estimates generated a revenue of USD 47.4 billion in FY'23, it is expected to grow further at a compounded annual growth rate of 7.5% during the period stretching from the year 2021 to 2025. The sector is also known as ITES sector which stands for Information Technology Enabled Services Sector.

Attrition in the ITES Sector is increasing, as is evident from various reports of Head Count (HC) drops published in different newspapers. In a report published

by the Economic Times, Head Count of the ITES sector is projected to fall by 5% in 2024.

The Boston Consulting Group have discovered that over 25 percent of the existing global (including India) employee pool are prepared to resign on from their current employments (voluntary attrition).

This attrition is a big worry for any organisation. It often increases the operation costs of organisations (by addition of hiring and training costs). Attrition also leads to outflow of knowledge which needs a lot of time and investment (both in manpower and budget) to rebuild / substitute.

High attrition can thus impact the viability of the business operations and that in turn may eventually lead to ramping down of operations and flight of industry; both of which leads to loss or reduction in employment opportunities and subsequently rise in unemployment.

For the state of West Bengal, the above situation of flight of industry is not new and that has forced many people to move out of the state and resettle in other regions.

Individuals born between the years 1980 & 1999 are roughly designated to be part of the Generation Y. Ad Age, a publication has been credited with coining the term "Generation Y", in an editorial published in the year 1993. This group of individuals although latter has been popularly named as the "Millennials". In the article, both terms have been used interchangeably to refer the concerned generation.

According to an article published in Forbes (2022), by 2025, members of Generation Y will make about 75% of the global workforce. The age group that these individuals belong to, at the time of my study, is 45 years to 26 years.

These employees of today, if taken care of and retained by their current employer will be the future leaders of tomorrow. Thus, retaining this pool of talent will be beneficial and should be a top priority for any organisation who wants to stay viable in the long run.

Generation Y employee pool has aspirations, aspiration generates needs. Maslow in his theory of needs has categorised human needs in five clusters.

Table - 1 captures the characteristics of the details of the categorisation along with the various workplace factors that when available contributes to satisfy such human needs of the employees.

TABLE 1

Name of the Need Cluster	Characteristics
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