

**ISSUES AND CHALLENGES RELATED TO EMPLOYEE  
RETENTION IN TELECOM INDUSTRY: A CASE STUDY  
AMONG BSNL & PRIVATE OPERATORS IN KERALA**

**Sreekumar D Menon\***

**Dr Baby MD\*\***

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**ABSTRACT**

Absenteeism and attrition in the work place are complex phenomena that have significant implications for organizations and individuals alike. Depending upon the type of industry and the products and the services the company sells, employees attrition and absenteeism metrics include the following: communication effectiveness, Satisfaction with compensation and benefits plan, Satisfaction with career opportunities, Clear understanding of job, Clear expectation of job performance, Satisfaction with job and company etc etc. Absenteeism and attrition are withdrawal behaviors that can be defined as the tendency to withdraw from their place of work and keep psychological distance between the employees and their work place. India is the fastest growing telephone market in the world. For the investors, Telecom market is a rising sun in India and thus has ample chances to grow and go forward. This industry is attributing a large amount of investments in the country.. In Kerala the major telecom service providers are BSNL, Idea cellular, Vodafone Essar, Tata Indicom, Bharathi Airtel, Reliance communications etc etc. Among them except BSNL, all are private operators. In the case of land line and mobile connections together BSNL is the first and Idea cellular is the second. Absenteeism and attrition are common in all industrial sectors. However these phenomena in the telecom sector deserve

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\* Research Scholar NIMS University, Jaipur.

\*\* Research Guide NIMS University, Jaipur, Rajasthan (HOD & Associate Professor St Dominic's College, Kanjirappally, Kottayam, Kerala).

special attention .Till the advent of new telecom policies in 1984&1999 the telecom service providers were in Government sector. Because of this policy, new market players came into operation which in turn increased attrition. The main objective of this study is to analyze and compare the absenteeism and attrition among employees of the major telecom service providers in Kerala State.

**Keywords :** *Absenteeism, Employee, Telecom*

## INTRODUCTION

Absenteeism in the work place have significant impact for large number of organizations indirectly. The increasing rate of absenteeism has been attributed to physical and socio-economical conditions along with other factors. Absenteeism in the work place has a negative impact on revenues which could be lessed with more control over absenteeism. Often it is difficult to distinguish between unavoidable and avoidable absenteeism. However ,experience has proven that absenteeism is not equally distributed among all employees. It has been found that approximately 50 percent absenteeism comes from only 5 to 10 percent of all employees. Further more, it has been found that approximately 50 percent of the work force will have perfect attendance .In general ,the high absentee is more difficult to supervise, harder to get along with and has few friends.

Employee attrition is the rate at which Organizations and/or company's hiring and firing employees to either represent their firm or leave their firms. It is also referred to as the employee turnover rate .It is the natural thinning of workers due to retirement ,layoffs,quiting or any other reason for leaving the job.Staff attrition rate and worker's absenteeism means significant costs to the organizations. In many organizations, workers are leaving after the organizations spending huge amount of money for the benefit of the workers. Many organizations accept workers mobility as part of doing their business, but it is a matter to be regretted. In India, the annual attrition rate is 20-30 percent across industries. The rate is high as 44 percent in BFSI(banking, financial service and insurance)and 35 percent in BPO(business processing outsourcing)

In the year 2005 there were only four mobile operators in Kerala and having total subscribers of 20.8 Lakhs. The operators were BPL (3.9 lakhs of subscribers), Bharati Airtel (3.4 lakhs of subscribers), BSNL (8 lakhs of subscribers) and Idea (5.5 lakhs of subscribers). The number of mobile operators became eleven in the year 2012 with a customer base of 359.979 lakhs. The teledensity in India reached 78.10 percent and that of Kerala is 236.25 percent. The rural teledensity in India is only 38.53 percent and that of Kerala is 107.77 percent. On analyzing the telecom subscribers data during the period from 2005 to 2012 in Kerala, it can be seen that development of mobile telephony is fascinating, but that of fixed line telephony is disappointing.

### SCOPE FOR STUDY

The present study tries to examine and compare absenteeism and employees attrition in rural and urban areas among the major telecom service providers in Kerala state. It requires a detailed study of Personal factors, Organizational factors, Job Involvement and Job satisfaction of the different categories of the employees. In addition to this a detailed study of the major causes linking the socio economic status of the different categories of the employees (executive/non-executive) in all major telecom providers so as to discern and resolve the varied problems being endured by the organizations. The ambit of the study will cover problems on the socio-economic and cultural background of different societies from where the categories of employees emanate.

Scope of the study is limited to the comparison of the behavior of employees of all major telecom service providers in Kerala State.

### IMPORTANCE OF THE STUDY

There is substantial volume of literature on the subject of absenteeism and attrition. A number of research studies have been conducted at both macro and micro level dealing with several aspects of absenteeism and attrition out side Kerala, but they have not conducted and study organized in Kerala especially in the context of telecom providers. A careful survey of literature connected with the main theme of present study made hereto assess the feasibility of such study in addition to understanding and appreciating the studies so far conducted in the field of absenteeism and attrition.

The researcher doubts that the competitions among the service providers leads to more attrition and absenteeism .Again there is a remarkable difference in respect of the rate of absenteeism and attrition among the employees of service providers.

## OBJECTIVES OF THE STUDY

The main objective of this study is to compare and analyze the absenteeism and attrition among the employees of major telecom service providers in Kerala State. However, following are the specific objective of the study.

- 1 To compare and examine the socio-economic characteristics of Absenteeism and Attrition among the employees of Telecom service providers in Kerala
- 2 To compare and study the organizational factors responsible for both absenteeism and attrition among the employees of telecom service providers.
- 3 To investigate the extend to which organizational support help to minimize absenteeism and attrition among the employees of telecom service providers.
- 4 To compare and make suggestion for reducing the intensity of absenteeism and attrition among employees of major telecom service providers.
- 5 To compare the factors and reasons contributing absenteeism and attrition among employees of both Government and Private telecom service providers.

## METHODOLOGY

The study was based on both primary and secondary data. The response of the workers of the telecom service providers operating in Kerala state acted as the base for the primary data. The primary data were collected using questionnaire. The secondary data were collected from various agencies like TRAI (telecom regulatory authority of India), COAI (cellular operators association in India), and service provider's site like BSNL, Idea, Reliance, Vodafone, Airtel, Tata Indicom and MTS. Age group wise employees were grouped. Apart from this gender and respective qualifications of the employees also shall be considered to arrive on the final conclusion on the employee behaviors.

**SAMPLE SIZE**

The size of the sample was 400 respondents and survey conducted in such a way that proportionate representations and due weightage given to both executives and non executives working in rural and urban areas of all the major telecom service providers in Kerala State. The collected data was tabulated and frequency distribution tables were used. The schedules were grouped on the basis of certain aspects, which will help to explain the entire objective. Percentage analysis, Chi-square tests, T-test, ANOVA were used for the analysis.

**LIMITATIONS OF THE STUDY**

\* The study mainly conducted among the employees of BSNL and Idea Cellular service providers as they are main two telecom service providers in Kerala State.

\* The analysis had done based on 'opinions' and 'observations' based on questionnaire, in such cases, the results, at best, are 'nearer to truth'. However, an honest attempt has been made to report and analyze the opinions of the workers on different aspects, as objectively as possible without allowing the investigator's biases dominating them.

\* Many companies (telecom service providers) were contacted and requested for permission for doing the survey work in their establishment, but some of them refused. Therefore, only those companies that granted permission for the survey work were selected.

- But then, even with these limitations, the investigator is confident that the study would bring out a new and useful understanding about the administration, effectiveness and consequences of absenteeism and attrition in telecom industry in a developing country like India.

**Table 1: Number of people belongs to different age groups**

Age group	No: of respondents		Percentage	
	BSNL	Others	BSNL	Others
	150	250		

18 – 29	06	72	4	28.8
30 – 39	44	132	29.3	52.8
40 – 49	72	38	48	15.2
50 – 60	28	08	18.7	3.2
<b>Total</b>	<b>400</b>		<b>100</b>	

Majority of the employees in BSNL in the age group of 40 – 49 years where as in other operators it is in the range of 30 – 39 years

**Table 2: Qualification of the respondents.**

Qualification	No: of respondents			Percentage		
	BSNL		Others	BSNL		Others
	150			250		
	Non Ex :100	Ex.50	Non Ex.	Ext.		
up to class x	80	-	80	-	16	
up to +2	14	-	14	-	84	
Diploma/ Degree/ above	06	50	6	100		
<b>Total</b>	<b>400</b>			<b>100</b>	<b>100</b>	<b>100</b>

In BSNL majority of the non executive employees are studied up to class X where as 84% employees of other operators are Degree and above.

**Table 3: Attitude towards promotion polices.**

	No of respondents		Percentage	
	BSNL	Others	BSNL	Others
	150	250		
Satisfied with Promotion Policies	120	-	80	100: Not Satisfied as they get better offer leave the organization
Not Satisfied with Promotion Policies	30	250	20	
<b>Total</b>	<b>400</b>		<b>100</b>	

Majority of the BSNL employees are satisfied with their promotion policies where as employees of other private operators not satisfied.

**Table 4: Security feeling about Job.**

Type of teaching	No of respondents		Percentage	
	BSNL	Others	BSNL	Others
	150	250		
Job is Safe	136	4	90.6	6
Job is Un Safe	14	246	9.4	98.4:- Job is Un Safe by majority

Majority of the BSNL employees believes that their job is safe; where as employees of private telecom operators are believe that their job is un safe.

**Table 5: Rate of Absenteeism**

Age Group	Rate of Absenteeism	
	BSNL	Others
Years		
18 - 29	0	4
30 - 39	24	0
40 - 49	12	0
50 - 60	64	0

Rate of Absenteeism is highest in the age group of 50 – 60 years in BSNL. Others absenteeism rate is very less (meager)

**Table 6: Rate of Attrition**

Age Group	No. of Respondents		Rate of Attrition	
	BSNL	Others	BSNL	Others
Years	150	250		
18 - 29	06	72	01	19
30 - 39	44	132	0	50
40 - 49	72	38	0	10
50 - 60	28	08	03	02

Rate of Attrition is highest in the age group of 30 - 39 years in employees of other telecom operators.



## FINDINGS

- 1) Rate of absenteeism is highest in the age group of 50 – 60 years in BSNL (64 percent)
- 2) Protection from trade union is one of the main reasons for increased absenteeism in BSNL (45 percent)
- 3) Feeling as a PSU employee and job security are the some of the reasons for increased rate of absenteeism in BSNL (40 percent)
- 4) Feeling of insecurity in job is the one of the lead factor for attrition in all employees of private telecom operators.
- 5) Good offers / packages from other firms leads attrition rate in employees of private telecom operators.
- 6) In BSNL majority of the workers(respondents)are within the age group of 40-49 years, were as other operators it is less than 40 years(20 to 39 years)
- 7) Majority of respondents (workers) are male for all telecom operators
- 8) 80percent of non executives (respondents) in BSNL are non matriculate, were as 95percent of the employees of other telecom providers are graduate and above.
- 9) 50percent of the PSU (BSNL) employees (respondents) are interested in trade union activities, in case of other operators non of them is interested.
- 10) 80percent of PSU (BSNL) employees (respondents) are satisfied with their promotion policies were as employees (respondents) of other telecom service providers do not satisfied as if they getting good offer from other firms they are quitting the job.
- 11) 90 percent of BSNL employees (respondents) have a feeling that their job is secure, but other operator's employees (respondents) believe that job is unsecure.
- 12) In BSNL rate of absenteeism is quite high and attrition is lowest were as in private operators absenteeism is low and rate of attrition is quite high.
- 13)The main reason for high rate attrition are: Better oppportunity, Salary and benefits, Better working conditions, Industry change, Lack of development etc.

## SUGGESTIONS

In order to overcome the absenteeism and attrition among the employees of telecom service providers following suggestions are made.

- Carry out periodic analysis of the data on absenteeism and find out the trends of absenteeism and attrition.
- Introduce suggestion scheme and obtain employees view points on attrition and absenteeism.
- Improve supervision and communication.
- Introduce incentive schemes like attendance bonus etc
- Development of positive attitude among workers can improve their attendance and reduce the attrition rate.
- Carry out counseling of individuals identified as chronic absentees and those exhibiting signs of mental illness.
- Introduce periodic meeting with all staffs and arrive at the remedial steps.

## CONCLUSION

BSNL is the leading telecom operator (is a PSU) in Kerala state, followed by Idea cellular. For administrative convenience BSNL divided in 11 switching areas, but for other operators divided into two zones namely north and south. Majority of the employees for all operators are male. Absenteeism rate is more in BSNL, were as attrition rate is nil and various rules are prevailing in BSNL to regularize this absenteeism and trade union interference is high to regularize this absenteeism. The study found that there is a high level of satisfaction among the employees regarding the quality of work life due to good and healthy working conditions, handsome salary, 'constitutionalism in work organization', 'eminence of work life' etc. For all other operators rate of attrition is quite high as they leaving the organization if they get a better chance, were as absenteeism is less as no work no pay is following by most of the operators. Some of the major factors affecting attrition in employees are Inability to use core skills, unclear expectations, inability to grow and develop etc. Feeling of insecurity increased attrition rate in employees of private operators. Trade union protection to employees enhanced absenteeism rate in BSNL. Feeling of job security increased absenteeism rate in BSNL.

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