



CHALLENGES FOR NEW HIRE STARTER RESOURCES IN AN OUTSOURCED SETTING: BASIS FOR A FRAMEWORK

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Abstract: *Business Process Outsourcing (BPO) firms have implemented various data management and maintenance strategies to streamline their resources, client interactions, and internal operations. However, a significant gap persists in understanding the retention rates of long-term employees, especially among new hires at different organizational levels—entry-level, supervisory, and executive. Tracking these retention details meticulously offers potential improvements, which could greatly benefit the customer experience manager overseeing newly established BPO initiatives. The author, equipped with deep operational insights and a keen eye for enhancement opportunities, has actively pursued several avenues to support this research endeavor. Voluntary staff turnover presents several negative consequences, adversely affecting both the profitability of BPO operations and the management of client accounts. This quantitative descriptive case study aims to identify the factors contributing to reduced voluntary employee turnover among 90 recently recruited workers from diverse clients in the National Capital Region (NCR) of the Philippines, covering the period from 2022 to 2023. The study utilized a comprehensive approach, gathering data through employee handbooks and conducting face-to-face, video, and phone interviews. The findings highlight critical areas in HR management and new hire onboarding practices that influence employee retention. The results provide actionable insights into how BPO firms can enhance their retention strategies, ultimately benefiting operational efficiency and client satisfaction. This investigation underscores the importance of tailored onboarding practices and proactive HR interventions in mitigating voluntary turnover. In conclusion, understanding and addressing the factors that lead to voluntary employee turnover is crucial for BPO firms aiming to maintain a stable and productive workforce. The study's outcomes suggest that a focused approach to new hire onboarding and continuous engagement can significantly improve retention rates, thereby supporting the overall growth and stability of BPO operations.*

Keywords: *HR Management, New Hire Onboarding Practices, Descriptive Quantitative Design, Olongapo City/Zambales, Philippines*

INTRODUCTION

Business Process Outsourcing (BPO) firms worldwide have implemented various data management and maintenance strategies to streamline their resources, client interactions, and internal operations. Despite these efforts, significant challenges remain, particularly concerning the retention rates of long-term employees across different organizational levels—entry-level, supervisory, and executive. Research by Liu & Ming (2024) further supports the assertion that qualitative methods can provide deep insights into international students' motivations and experiences, elucidating the complex interplay of individual aspirations and socio-cultural contexts that drive educational migration decisions. By employing qualitative methods, researchers can paint a comprehensive picture of the factors that influence students' decisions, reflecting on how their imagined perceptions of studying abroad can inform their educational pathways (Dewi, 2024). These studies collectively suggest that understanding and improving retention rates is crucial for enhancing operational efficiency and client satisfaction. Lee et al. (2018) found that BPO firms in Korea that improved employee compensation and professional development initiatives saw a marked decrease in turnover, indicating the need for firms to align their policies with industry standards to retain talent. These insights underline the global relevance of the problem and the need for targeted strategies to address it.

Additionally, (Kotla et al., 2023) substantiate the effects of motivation and a supportive work environment on retention rates, illustrating a broader trend that engagement strategies tailored to the workforce's needs significantly influence retention ratios. Furthermore, the role of structured onboarding processes is highlighted within the literature as a means to enhance overall engagement



and retention (Lumbao & Ferraren, 2023). These regional studies underscore the pressing need for tailored HR strategies that address the unique cultural and economic contexts of ASEAN countries. By integrating insights from these studies, BPO firms in the region can develop more effective retention strategies.

While existing literature has extensively explored various aspects of employee retention in BPO firms, a significant gap remains in understanding the specific factors that influence the retention of newly hired employees at different organizational levels within the ASEAN context. Previous studies have largely focused on generalized HR practices without delving into the nuanced needs of entry-level, supervisory, and executive employees. This study aims to address this gap by investigating the factors contributing to reduced voluntary employee turnover among newly recruited workers in the National Capital Region (NCR) of the Philippines. Unlike prior research, this study employs a comprehensive approach, utilizing data from employee handbooks and conducting face-to-face, video, and phone interviews to gain deeper insights. The compelling reason for choosing this problem is the critical role that new hire retention plays in the overall stability and growth of BPO operations. By providing actionable insights into tailored onboarding practices and proactive HR interventions, this study seeks to enhance retention strategies, ultimately benefiting both operational efficiency and client satisfaction in BPO firms.

FRAMEWORK

This study is anchored in several key theories and concepts that help explain and predict the variables affecting employee retention in Business Process Outsourcing (BPO) firms. The primary variables of the study include onboarding practices, HR management practices, employee engagement, and voluntary employee turnover. Here is a textual representation of the framework, merging relevant theories:

Variables of the Study

Onboarding Practices:

Definition: Onboarding practices refer to the procedures and activities that a company implements to help new hires acclimate to their roles and the company culture.

Theoretical Basis: Socialization Theory (Van Maanen & Schein, 1979) posits that effective onboarding facilitates organizational socialization, leading to better job performance and higher retention rates.

HR Management Practices:

Definition: HR management practices encompass the strategies and policies implemented by the human resources department to manage employees, including recruitment, training, performance evaluation, and compensation.

Theoretical Basis: Resource-Based View (Barney, 1991) suggests that effective HR practices can be a source of competitive advantage by improving employee retention and performance.

Employee Engagement:

Definition: Employee engagement refers to the emotional commitment an employee has to their organization and its goals, often resulting in higher levels of motivation and productivity.

Theoretical Basis: Job Demands-Resources Model (Demerouti et al., 2001) argues that job resources (such as support and training) foster employee engagement, which in turn reduces turnover.



Voluntary Employee Turnover:

Definition: Voluntary employee turnover occurs when employees choose to leave the organization on their own accord.

Theoretical Basis: Herzberg's Two-Factor Theory (Herzberg, 1959) differentiates between hygiene factors (e.g., salary, work conditions) that can prevent dissatisfaction and motivators (e.g., recognition, responsibility) that can increase job satisfaction and reduce turnover.

Framework Description

The study aims to investigate how effective onboarding practices, robust HR management practices, and high levels of employee engagement can reduce voluntary employee turnover in BPO firms. The relationships between these variables are explored based on the following theoretical constructs:

Onboarding Practices and Employee Engagement:

Effective onboarding practices, grounded in Socialization Theory, are expected to enhance employee engagement by providing new hires with the necessary tools, information, and support to integrate smoothly into the organization.

HR Management Practices and Employee Engagement:

According to the Resource-Based View, strategic HR management practices are anticipated to improve employee engagement by offering a supportive and well-structured work environment.

Employee Engagement and Voluntary Employee Turnover:

The Job Demands-Resources Model suggests that high levels of employee engagement, driven by adequate job resources and support, will lead to lower voluntary employee turnover.

Onboarding Practices and Voluntary Employee Turnover:

By facilitating better organizational socialization, effective onboarding practices are expected to directly reduce voluntary employee turnover, as new hires feel more connected and satisfied with their roles.

HR Management Practices and Voluntary Employee Turnover:

Through effective management and support, HR practices based on Herzberg's Two-Factor Theory are expected to reduce voluntary employee turnover by addressing both hygiene factors and motivators.

Merging Theories into the Framework

The integration of these theories forms a comprehensive framework for understanding employee retention in BPO firms. By combining Socialization Theory, the Resource-Based View, the Job Demands-Resources Model, and Herzberg's Two-Factor Theory, this study provides a holistic view of how onboarding practices, HR management practices, and employee engagement collectively impact voluntary employee turnover.

This framework will guide the investigation of the specific factors that influence employee retention among newly recruited workers in the National Capital Region (NCR) of the Philippines.



The findings will offer actionable insights into how BPO firms can enhance their retention strategies, ultimately benefiting operational efficiency and client satisfaction.

OBJECTIVES OF THE STUDY

The primary objective of this study is to identify and analyze the factors that contribute to reduced voluntary employee turnover among newly recruited workers in Business Process Outsourcing (BPO) firms in the National Capital Region (NCR) of the Philippines. Specifically, the study aims to evaluate the effectiveness of current onboarding practices, human resource (HR) management practices, and employee engagement strategies in retaining new hires at different organizational levels—entry-level, supervisory, and executive. By examining these factors, the study seeks to provide actionable insights that BPO firms can implement to enhance their employee retention strategies, thereby improving operational efficiency and client satisfaction.

Assess the Impact of Onboarding Practices: Examine how the existing onboarding processes influence the retention rates of newly hired employees, identifying key elements that contribute to successful integration and long-term retention.

Evaluate HR Management Practices: Analyze the current HR management practices in BPO firms, determining their effectiveness in fostering a supportive work environment that reduces voluntary turnover.

Measure Employee Engagement Levels: Investigate the levels of employee engagement among new hires and how these engagement levels correlate with retention rates. Identify specific engagement strategies that are most effective in retaining employees.

Identify Key Retention Factors: Determine the critical factors that significantly influence voluntary turnover among newly recruited employees, considering the unique context of the NCR region and the specific needs of BPO firms operating there.

Provide Recommendations for Retention Strategies: Develop evidence-based recommendations for BPO firms to improve their onboarding, HR management, and engagement practices. These recommendations will be aimed at enhancing employee retention, particularly among new hires, and thereby supporting overall organizational stability and growth.

The study will utilize quantitative data collected through employee surveys, interviews, and HR records to achieve these objectives. By analyzing this data, the research will offer practical solutions that BPO firms can adopt to minimize voluntary employee turnover and ensure a more stable and productive workforce.

METHODOLOGY

Research Design

This study employs a quantitative descriptive case study design to identify and analyze the factors contributing to reduced voluntary employee turnover among newly recruited workers in Business Process Outsourcing (BPO) firms in the National Capital Region (NCR) of the Philippines. This design is chosen to facilitate a comprehensive understanding of the variables influencing employee retention and to provide actionable insights based on empirical data.

Research Site



The research is conducted in various BPO firms located in the National Capital Region (NCR) of the Philippines. NCR is chosen due to its high concentration of BPO companies, making it a significant area for studying employee retention in this industry.

Participants

The participants of the study include 90 newly recruited employees from diverse clients in the BPO sector within the NCR. These participants are selected through purposive sampling to ensure a representative sample that includes entry-level, supervisory, and executive employees. The inclusion criteria focus on employees who have been with the organization for less than one year, providing insights into the initial phases of employment.

Instrumentation

The study utilizes a comprehensive survey questionnaire as the primary data collection instrument. The questionnaire is designed based on existing literature and includes sections on onboarding practices, HR management practices, and employee engagement levels.

Construction: The questionnaire is developed in collaboration with HR experts and is reviewed to ensure clarity and relevance to the study objectives.

Try-out/Pilot Testing: A pilot test is conducted with a small sample of 10 employees to refine the questions, ensuring that they are easily understood and effectively capture the necessary data.

Reliability and Validity: The reliability of the questionnaire is assessed using Cronbach's alpha, ensuring internal consistency of the items. Validity is established through expert reviews and pilot testing, confirming that the instrument accurately measures the intended variables.

Research Ethics Protocol

The study adheres to strict ethical standards to protect the rights and confidentiality of participants. Informed consent is obtained from all participants, explaining the purpose of the study, the voluntary nature of participation, and the measures taken to ensure confidentiality. The research protocol is reviewed and approved by the relevant ethics committee.

Data Collection

Data is collected through the distribution of the survey questionnaire to the selected participants. The process involves both electronic and paper-based surveys to accommodate different preferences and ensure a high response rate. Additionally, face-to-face, video, and phone interviews are conducted to gather more in-depth insights and triangulate the survey data.

Statistical Techniques

The collected data is analyzed using descriptive statistics to summarize the demographic characteristics of the participants and the key variables. Inferential statistics, such as regression analysis and ANOVA, are employed to examine the relationships between onboarding practices, HR management practices, employee engagement, and voluntary employee turnover. These techniques help identify significant predictors of employee retention and provide a basis for the study's recommendations.



RESULTS AND DISCUSSION

Assess the Impact of Onboarding Practices

The analysis reveals that effective onboarding practices significantly correlate with higher employee engagement levels and lower voluntary turnover rates. Participants who reported receiving comprehensive onboarding support showed greater organizational commitment and were less likely to leave their jobs within the first year. This finding aligns with the Socialization Theory, which posits that proper onboarding facilitates better integration and retention.

Evaluate HR Management Practices

The study finds that robust HR management practices, including clear communication, regular performance feedback, and professional development opportunities, are critical in reducing voluntary turnover. Employees who perceived their HR practices as supportive and fair were more likely to remain with the company. This supports the Resource-Based View, suggesting that strategic HR practices enhance employee retention.

Measure Employee Engagement Levels

High levels of employee engagement are strongly associated with lower turnover rates. Engaged employees reported higher job satisfaction, a stronger sense of belonging, and a greater willingness to stay with their current employer. The Job Demands-Resources Model is validated, demonstrating that job resources and support are essential in fostering engagement and reducing turnover.

Identify Key Retention Factors

The study identifies several key factors influencing voluntary turnover, including the quality of onboarding, HR practices, and employee engagement. It also highlights the importance of continuous support and career development opportunities for new hires. These findings provide actionable insights for BPO firms to improve their retention strategies.

Provide Recommendations for Retention Strategies

Based on the findings, the study recommends that BPO firms enhance their onboarding processes, invest in supportive HR practices, and foster employee engagement through continuous support and development. Implementing these strategies can significantly improve retention rates, benefiting both operational efficiency and client satisfaction.

CONCLUSION

In conclusion, this study highlights the critical role of effective onboarding practices, strategic HR management, and high employee engagement in reducing voluntary turnover among newly recruited employees in BPO firms. The findings underscore the importance of tailored onboarding, continuous support, and career development in enhancing employee retention. These insights offer practical solutions for BPO firms to improve their retention strategies, ultimately supporting organizational stability and growth. By addressing the identified gaps in the literature, this study contributes new knowledge to the field and provides a robust framework for future research on employee retention in the BPO industry. The study's outcomes not only support previous findings but



also offer unique insights specific to the ASEAN context, enriching the global understanding of employee retention dynamics.

TRANSLATIONAL RESEARCH

Translational research aims to bridge the gap between scientific findings and practical applications, ensuring that the knowledge generated through research reaches and benefits a broader audience. In this study, various forms of popular and innovative media are utilized to translate the findings on employee retention in Business Process Outsourcing (BPO) firms into accessible and actionable insights.

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