

## **Leadership Style as an Internal Marketing Tool: Combating High Attrition rate in Indian ITES -BPO Industry**

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**Abstract:** *The term 'ITES' which is synonymous to 'BPO' or Business process Outsourcing has emerged as one of the key driver of growth for the Indian economy. This industry is now more than a decade and a half old. The place of India is commendable in this industry and growth prospects are optimistic both in the exports as well the domestic markets despite the hot competition and continuous global recession. But the success story of this Industry also has its flip side. It is suffering from very high rate of attrition which has become a menace and is threatening its very existence. This is particularly true at the middle and lower management levels. This results in not only loss of talent, but also includes the cost of hiring & training the employees.. The attrition rate in the industry has been hovering around 35%, which is quite high from Industry standards. There are numerous reasons behind this such as Steep Industry growth, high stress levels, monotonous nature of the job, lack of career avenues & growth potential on professional front etc. It has become a biggest Challenge as well as a cynosure for the Industry experts to bring down the Attrition Level. The role of Top Management becomes crucial in this as they are the Custodians of the organization and main policy planners and resource providers. Their leadership style can come up in a new avatar as an 'Internal Marketing Tool' to handle this menace. This can be done through proper communication of their ideas and business philosophy to the subordinates and by treating them as Internal Customers using soft skills and shedding the Autocratic behaviour while dealing with them. This research paper has discussed the present status of leadership and the type of Leadership styles being followed at different management Levels in these ITES (BPO) industries (Firms). The industries chosen for study includes Customer interaction services, health care, Human Resource, Accounting & Finance & Translation/Transcription. This study will help gain an insight to tackle this problem and explore new dimensions for improvement so as to produce more effective leaders in future.*

**Key Words:** Outsourcing, ITES-BPO, Attrition, Customer Interaction Services, Healthcare

### **Global ITES-BPO Industry --The Introduction**

The global Business Process Outsourcing (ITES-BPO) industry (Nasscom estimates, 2009) is in rapid transition over the last few years with the offshore outsourcing becoming a strategic alternative for companies facing pressure due to cut throat competition. The gains that have materialized include easy accessibility to global talent, economies of scale, process engineering and enhancement, wage arbitrage, increased profit margins and dramatic improvement in quality. The catalytic growth of this industry has been due to factors such as maturity of the market place,

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rapid developments in telecommunications and infrastructure and upcoming new off shoring destinations. Outsourcing to low-cost countries continues to gain momentum, despite economic slowdown as well as voices of opposition in the home country of MNCs, in the current business environment not only for reasons of cost and quality but also as a strategic business driver. Currently, the companies measure the advantages of outsourcing with parameters such as reliability, speed to market, new market opportunities, lesser working capital, reduction in defects, higher customer satisfaction, and most importantly, by emphasizing on core competencies, which help them to improve quality and productivity.

### **Indian ITES-BPO Industry -- The Back Office of the World**

IT Enabled Services - Business Process Outsourcing (ITES-BPO) Industry, the fastest growing industry in India, is already registering a double digit growth and its contribution to the national economic output has become 1.0347% per cent in FY 2010. This trend is continuing despite the rampant economic slowdown in Western Europe and US. The sectors share in overall services exports has gone up remarkably over the past few years from 5.5% in FY01 to 12.8% in FY09. The Indian ITES-BPO exports alone provide direct employment to around a million people, not including the indirect employment. The overall economic and social landscape of the country has been developed as a result of growth in this Industry. Several factors have favourably contributed towards India's accomplishing this position like (i.) availability of Convent educated English speaking manpower (ii.) the latest technology including the statistical techniques and mathematical notations (iii.) product expertise (iv.) reduction in service costs (e) comprehensive geographical area coverage (f) Appropriate time differential and (g) availability of adept human resource for managing the outsourced programs.

### **High Attrition rate in ITES (BPO) Industry: The Ultimate Challenge**

India is currently the hottest Outsourcing destination for any company which wants to outsource its business processes. There are three basic factors such as Cost, People and Environment which contributes towards attractiveness of India. Despite all these features, High Attrition rate has been plaguing this Industry since inception. This is particularly true at the middle and lower management levels. This results in not only loss of talent, but also includes the cost of training them. The attrition rate in the industry has been hovering around 35%, which is quite high from Industry standards. According to a study an average Indian call center employee works with a company only for 11 months as compared to an average UK call center employee who stays in a company for 3 years. It is expected that as the growth stabilizes it would bring down the attrition rates. There are numerous reasons behind high Attrition rate. Steep growth is one of them. Other reasons are such as high stress levels, monotonous nature of the job, demand-supply disparity and lack of career avenues & growth potential on professional front, loss of identity, mismatch with normal cycle, and complete change of life style and lack of comfort on the personal front. Added to this, the 'poaching' strategy as being adopted by the Industry players and their Managements. It has become an Ultimate Challenge to tackle this menace which is threatening the very existence of this Industry.

### **Combating High Attrition Rate -- Leadership Style as Internal Marketing Tool**

Tackling the alarming attrition rate has become a cynosure for the industry experts and the Leadership styles of the practicing Managers particularly Top Managers can come up in a new avatar as an Internal Marketing Tool. The term 'Leadership' has been conventionally described as the process of social influence in which one person can enlist the aid and support of others in the

## Leadership Style as an Internal Marketing Tool

accomplishment of a common task. The people working in the organization usually need individuals as leaders who could be instrumental in guiding their efforts or efforts of a group of workers in order to achieve the goals and objectives of both the individuals and the organization. The leadership skills necessary for leader such as conceptual skill, human skill, technical skill, personal skill & political skill required at different levels of management according to the different situations have also been considered. The leader must have these skills to run the firm in such a manner so as to improve its overall performance. The use of empathy, objectivity, communication skills, social skill, technical Skill, personal skills like intelligence, emotional maturity, personal motivation, integrity & flexibility of mind along with Political skills are to be done in an efficient manner. A leader must also have a dynamic personality, intellectual attainment, amiable disposition, unassuming temperament and knowledge of ways to deal with the followers. As rightly said by Peter F. Drucker, “Good Leadership is a must for the success of a business but the business leaders are the scarcest resources of the enterprises.”

A special status has been gained by the term ‘Leadership’ in the ITES industry. This industry is in transition and is entering the next rung of the value pyramid with new and previously untouched areas emerging such as investment research support, medical transcription, GIS, data mining, remote education, market research, content development, data analytics etc. Their future revenue contribution is expected to reach around 40% while the traditional services such as Customer Interaction services, Banking, Insurance etc. going down to 60%. These new service lines require innovative leadership dimensions to be inculcated in the mindset of the practicing managers and particularly the employment of soft skills while guiding the subordinates and peer as well as client interaction. The proper understanding of the psyche of subordinates and the situational aspects in which they operate in this robust and constantly changing business environment has become the order of the day. A leader has to adopt different styles and roles in different situations so as to become successful. It is thereby an ongoing and perpetual process of self-improvement. To understand the prime reason behind the High rate of Attrition in this Industry it is necessary to have proper understanding of the leadership status & type of leadership style being followed by managers while interacting with their subordinates. A comprehensive study was carried out by the author in which information was collected from different levels of Management of the ITES-BPO Industry by interviewing 119 executives from Delhi & NCR. Of them 47 were drawn from lower management, 46 from middle management, and 26 from the upper management. The services provided by the firms selected in each of the various types of ITES-BPO Industries are Customer Interaction Services, Banking, Human Resource, Finance & Accounting, Data Entry/Conversion, Telecom & Software, and Medical Transcription & Translation.

### **Review of Literature**

Several researches have been done in the past to understand the nature of Leadership style. The conventional leadership theories such as trait theory, behavioural theory, contingency & situational theory, integrated leadership model, Likert four system of management and several other cutting edge approaches are quite well known but they have their own limitations. The focus of the recent researches is more on newer aspects such as Transformational v/s Transactional leadership style, Charismatic leadership style with Ethical dimensions, the role and power of Emotional Intelligence (Daniel Goleman, Boyatzis & McKee, 2002) in leading and the concept of “leading virtually” or “Virtual leadership” (Jerry Fjermestad, Kahai S. & Avolio B, 2009) which have come up in a big way in the recent times. ‘Alpha leadership’ (Anne Deering,

Robert Dilts & Julian Russell, 2002) approach is also quite prevalent in the organizations. Along with this, the recent studies done on leadership is by Preetam Singh, Asha Bhandarkar, Sumati Rai & AK Jain who as a team (Centre for Transformational Leadership, Project, 2010) have witnessed that one of the key crises of business organizations as well as human societies is leadership. Today, more than ever, there is a need for leaders who have concern for balancing business objectives with human needs, building organizations which can be great places to work as well as centers of excellence.

Various other prominent studies on ITES-BPO industry being as done by Eric Gresch, Steve Brown, and Virajanand Varma, Anju & Nikhil Mehta, Feruzan Irani on "Challenges and Opportunities of Business Process Outsourcing in India" (Auburn University, 2006) having the core focus area concerning key managerial issues at Lower, Middle and Upper levels of Managements in Indian BPO firms along with Major strengths, Weaknesses, Opportunities and Threats. The primary data came from semi-structured interviews on a nationwide scale. Secondary data was also obtained from four global research agencies and an Indian national trade association with the sample consisting of 28 management (10-L, 11-M & 7-U) executives from 15 major Indian BPO organizations. The Information was gathered on various leadership dimensions such as delegation of Authority, Participative organization culture, company's philosophy, business operations, major clients, and respondent's age, gender, work experience, and job designation. Interview responses were concerned with career and business prospects, HR issues, motivation and stress, work environment, customer relations, competition, infrastructure and technology, client-vendor relations, change-related issues, and costs and quality. The perceptions of top management are different from those of middle and lower managers, and top managers are either unaware of the critical issues in their organizations or do not consider them important. Similarly the research paper on Strategic Outsourcing BPO (Purti Sharma, 2009) with focus on Current Scenario & Future Challenges provided a tentative understanding of the importance of the BPO industry with suggestions.

Another paper tried to investigate the dynamics of human resource management (HRM) practices and systems in this sector (Pawan S. Budhwar, Harsh K. Luthar and Jyotsna Bhatnagar, 2006) They analyzed the nature of HRM systems in BPO organizations operating in India using a mixed-method approach involving both in-depth interviews and self-completing questionnaires. The results focus on the nature and structure of work and organization of Indian BPOs, as well as the strategic role played by HRM in such organizations.

Another study of managerial challenges as prevalent in the Indian offshore outsourcing industry has uncovered some broad concerns including infrastructure, cultural differences, accents, language ability, contractual problems and fear of reduced service levels. (Tapper & Walsham, 2004) These studies enhance the understanding of common issues associated with offshore outsourcing. The exploration of organizational changes was done on a nationwide scale. Qualitative research methodology was used, and interview data were collected from executives in 105 firms. Secondary data were also obtained from global research agencies and national trade association.

This research paper has focused on the study of the Leadership style prevalent in 'ITES or IT Enabled Service' Industry in Delhi-NCR region which has come up in a big way with the telecommunications revolution and Internet becoming a low cost medium. This region is predominantly consists of Voice based BPO operations and is strategically also very crucial for north India. The importance of leadership in this sector cannot be condoned as presently several issues have come up before the leader which require to be meaningfully addressed such as

## Leadership Style as an Internal Marketing Tool

Managing gap between management and employee expectations, betterment of service offers, service forms and service delivery systems. The promotion of the internal marketing concept to the employees or ‘Internal customers’ has become more relevant in this Digital Age / World.

### Research Methodology

The research methodology undertaken to complete the study is as discussed below. An indigenously designed structured questionnaire along with interview format and Five point Likert Scale (5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree and 1-Strongly Disagree) was used to collect the information. 30 Items were included in the questionnaire to measure and evaluate the leadership styles at various levels in the different types of ITES-BPO Industries. The Mean scores on Item wise basis were calculated to know the percentage on that item. Understanding the Leadership style, more particularly how it is practiced at different levels of management in different Industries was possible through the percentage calculated on scores on each item. Finally the Chi-Square Analysis was carried out to test the Null Hypothesis. Questionnaires that were incomplete, unrealistic, full of biases were rejected at a glance so that error could not occur in the sample collected and it might not affect findings of the study.

The Demographic profile of sample chosen for the study consists of a total of 119 respondents (managers) who participated in the survey. The sample mainly consists of 66 % of Males and 34% female respondents. The respondents were mostly between the ages of 21 and 40 years 86.41%) It was found that 76.25% of the respondents were single. The respondent from the urban background is 83% while from the Rural Background is 17%.

The demographic characteristics selected for the Sample includes sex, Age, Education, Marital status, Background and are presented below in the Table. The no. of years of work experience ranges from 5 months to 7.5 years. The mean found being 3.2 years.

The percentage of Respondents is given in Table 1 below.

**Table 1**

<b>Respondents</b>	<b>Variables</b>	<b>% age</b>
Sex	Male	66
	Female	34
Age	21-30 yrs.	64.69
	31-40 yrs	21.72
	41-50 yrs	13.59
Education	< Secondary School (S.S)- S.S. or Eqvt.	3.05
	-Bachelor Degree	58.02
	-Master Degree	28.81
	-Doctoral Degree	8.16
	-Others	2.06
Marital Status	Single	76.25
	Married	23.75
Background	Urban	83
	Rural	17

Source: Primary Data through Questionnaire

The various objectives undertaken to complete the study are as discussed below. The objectives of this research work are

- a.) To do a comparative study of the leadership styles in various ITES sector industries.
- b.) To do a comparative analysis of the leadership style at various levels of management in respective ITES sector industries.

The Hypotheses done on these Research Objectives are as follows:

**Null Hypothesis ie; HO1:** There is no difference in Leadership style in different types of ITES-BPO Industries

**Alternate Hypothesis is HA1:** There is difference in leadership style in different types of ITES-BPO Industries

**Null Hypothesis ie H02:** There is no difference in Leadership style at various levels of Management in the respective ITES-BPO Industries

**Alternate Hypothesis is HA2:** There is difference in leadership style at various levels of Management in the respective ITES-BPO Industries

The respondents were interviewed by telephone and average time per interview was approximately 30 minutes. After the initial interviews, the author contacted the respondents again for further clarification and information as required. Interview responses were then content analyzed. In the present study, the response obtained was tabulated and shown in Table 2 below:

**Table 2: (Response from Total Surveyed)**

<b>Total No. of Managers (Respondents)</b>	CIS	Banking	Telecom & Software	HR	ACCT & Finance	Data Entry/Data Conversion	Medical Transcription & Translation
<b>Top</b>	4	3	4	4	3	4	4
<b>Middle</b>	6	7	6	7	7	7	6
<b>Lower</b>	7	6	7	7	7	7	6
<b>Total</b>	17	16	17	18	17	18	16

(Based on Primary Research: Questionnaire) **Grand Total: 119**

The response was good from the Middle and Lower Management as compared to the Top Managers. The Low response from the Top Management towards the questionnaire can be attributed to facts such as over occupation with work due to high Competition. The number of respondents from various ITES-BPO Industries exhibiting the Style of Leadership is as given below in the Table 3:

## Leadership Style as an Internal Marketing Tool

**Table 3: Response (From Total Surveyed)**

No.of Respondent (Managers)	CIS			BANKING			Telecom & Software			HR			ACCT & Finance			Data Entry /Conversion			Medical Transcription & Translation		
	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L
	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L
Top	3	1	0	2	1	0	3	1	0	3	1	0	2	1	0	3	1	0	3	1	0
Middle	2	4	0	1	6	0	1	5	0	1	6	0	2	5	0	1	6	0	1	5	0
Lower	1	6	0	2	4	0	2	5	0	2	5	0	2	5	0	2	5	0	1	5	0
Total	6	11	0	5	11	0	6	11	0	6	12	0	6	11	0	6	12	0	5	11	0
%age	35	65	0	31	69	0	35	65	0	33	67	0	35	65	0	33	67	0	31	69	0

Based on Primary Research: Questionnaire

Here as shown above the notations

**A** stands for **Autocratic** which means the leaders have all the powers in their hands and do not believe in delegation of Authority and subordinate participation in decision making in the Organization

**D** stands for **Democratic** which means the leaders do not believe in having all the powers in their hands and do believe in delegating the Authority and participation of Subordinates in decision making in the Organization

**L** stands for **Laissez faire** which means leaders believe in giving unlimited powers ie; Free rein or Free Hand to their Subordinates in decision making in the Organization

The table reveals that the overall percentage of autocratic managers in ITES-BPO Industries hovers around 30 plus percent and that of democratic around 60 plus percent. The basis for the style of Leadership (as given in table 3) is the mean score obtained (exhibited in table 4 below) according to responses to the questionnaire from different Managers given as:

**Table 4: Response Pattern**

Mean Scores (Out of 50)	CIS			BANKING			Telecom & Software			HR			ACCT & Finance			Data Entry /Conversion			Medical Transcription & Translation		
	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L
	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L
Top	4	4	1	4	4	1	4	4	1	4	4	1	4	4	1	4	4	1	44	46	18
Middle	2	4	6	1	2	6	0	2	5	4	5	8	5	6	6	5	3	7			
Lower	4	4	1	4	4	1	4	4	1	4	4	1	4	4	1	4	4	1	42	40	15
	2	4	5	1	0	6	4	4	2	2	5	6	3	2	6	2	4	7			

(Based on Primary Research: Questionnaire)

**Here the Notation A stands for Autocratic, D stands for Democratic & L stands for Laissez faire**

The mean scores as obtained from respondents easily indicate that the managers in these Call-centers are high scorers ( $\geq 40$ ) greater than or equal to 40 as an autocratic or Democratic Leader while leading. The scores of less than 20 ( $< 20$ ) is the indicator of the fact that they

normally do not operate out of this mode which is Laissez-Faire Leadership in this case. This type of leadership is quickly vanishing as in this world of intense competition, nobody wants to lose control over the subordinates or become over-dependent on them.

Also it has been found that the respondents fairing a score of 40 and Above in the questionnaire while leading as an autocratic leader in all types of Call centers also gave a score ranging from 21-26 in items meant for Democratic character in the same leader. It strongly indicates that although their Normal style of working is Autocratic but they do have certain characteristics of Democratic leadership and according to the situation or Circumstances they do or can mould themselves to be a democratic leader so as to motivate the subordinates. This is also true for respondents with Democratic Leadership style as well. The response pattern as obtained above is interpreted in percentage terms as given below in Table 5.

**Table 5: Response In Percentage**

Manager Response	CIS			Banking			Telecom & Software			HR			ACCT & Finance			Data Entry /Conversion			Medical Transcription & Translation		
	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L
Top %	75	25	0	67	33	0	75	25	0	75	25	0	67	33	0	75	25	0	75	25	0
Middle %	33	67	0	14	86	0	17	83	0	14	86	0	29	71	0	14	86	0	17	83	0
Lower %	14	86	0	33	67	0	29	71	0	29	71	0	29	71	0	29	71	0	17	83	0
Total %	35	65	0	31	69	0	35	65	0	33	67	0	35	65	0	33	67	0	31	69	0

(Based on Primary Research: Questionnaire)

The table reveals that though the overall percentage of autocratic managers in ITES-BPO Industries hovers around 30 plus percent and that of democratic around 60 plus percent, but level wise percentage indicates that the percentage of autocratic managers at the top level is 70 plus percent. Additionally the table also shows that, in general, the percentage of democratic managers is highest at middle level.

Moreover the respondents were also analyzed on the following parameters as:

**Holding meetings to discuss the problems of the organization**

The respondents as analyzed on the basis of response to parameters pertaining to holding meetings to discuss the problems of the organization with subordinates provided the following data in terms of percentage as given below in Table 6.

The data on Comparative Analysis of different types of ITES Industries (Firms) indicate that in CIS firms 75% of Top managers behave autocratically regarding holding of meetings with the subordinates to discuss problems of the organization i.e. 75% do not believe in subordinates involvement while solving organizational problems while only 25% of managers do believe in practicing the democratic behavior. In the Banking Services based Call-centers/BPO firms , 67% of Top managers behave autocratically regarding holding of meetings with the subordinates to discuss problems of the organization i.e. 67% Top managers don't believe in involving subordinates in solving organizational problems while 33% of managers do practice the democratic behavior. In the Telecom & Software Services based Call-centers/BPO firms overall 75% of Top managers behave autocratically regarding holding of meetings with the



## Leadership Style as an Internal Marketing Tool

subordinates to discuss problems of the organization i.e. 75% Top managers do not believe in involving subordinates in solving organizational problems while 25% of managers do believe in practicing the democratic behavior. In the Human Resource Services based Call-centers/BPO firms , 75% of Top managers behave autocratically regarding holding of meetings with the subordinates to discuss problems of the organization i.e. 75% Top managers do not believe in involving subordinates in solving organizational problems while 25% of managers do believe in practicing the democratic behavior. In the Accounting & Finance based Services based Call-centers/BPO firms , 67% of Top managers behave autocratically regarding holding of meetings with the subordinates to discuss problems of the organization i.e. 67% Top managers do not believe in involving subordinates in solving organizational problems while 33% of managers do believe in practicing the democratic behavior. In the Data Entry/Conversion based Call-centers/BPO firms,75% of Top managers behave autocratically regarding holding of meetings with the subordinates to discuss problems of the organization i.e. 75% Top managers have no belief in involving subordinates in solving organizational problems while 25% of managers do believe in practicing the democratic behavior. In the Medical Transcription & Translation services based Call-centers/BPO firms , 75% of Top managers behave autocratically regarding holding of meetings with the subordinates to discuss problems of the organization i.e. 75% Top managers have no belief in involving subordinates in solving organizational problems while 25% of managers do have belief in practicing the democratic behavior. The table also reveals that although the overall percentage of autocratic managers is 30 plus percent but the percentage of Autocratic managers at the top level is 70 plus percent i.e. the majority ( more than 70 %) of top level managers generally don't involve subordinates in solving organizational problems. There is none in the Laissez-Faire Category which clearly signifies that at no level of management, in any of the firms in ITES-BPO industry, managers follow the practice of leaving the responsibility of finding the solution to the organizational problems totally in the hands of subordinates.

**Table 6: Response Pattern in percentage (Holding of meetings with subordinates)**

Manager Response	CIS			BANKING			Telecom & Software			HR			ACCT & Finance			Data Entry /Conversion			Medical Transcription& Translation		
	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L
Top %	75	25	0	67	33	0	75	25	0	75	25	0	67	33	0	75	25	0	75	25	0
Middle %	33	67	0	14	86	0	17	83	0	14	86	0	29	71	0	14	86	0	17	83	0
Lower %	14	86	0	33	67	0	29	71	0	29	71	0	29	71	0	29	71	0	17	83	0
Total %	35	65	0	31	69	0	35	65	0	33	67	0	35	65	0	33	67	0	31	69	0

(Based on Primary Research: Questionnaire)

### **Delegation of Authority to Subordinates**

The respondents as analyzed on the basis of response to parameter 'delegation of authority to subordinates' provided the following data in terms of percentage as given below in Table 7.

**Table 7: Response Pattern in percentage (Delegation of Authority to Subordinates)**

Manager Response	CIS			BANKING			Telecom & Software			HR			ACCT & Finance			Data Entry /Conversion			Medical Transcription & Translation		
	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L
<b>Top %</b>	75	25	0	67	33	0	75	25	0	75	25	0	67	33	0	75	25	0	75	25	0
<b>Middle %</b>	33	67	0	14	86	0	17	83	0	14	86	0	29	71	0	14	86	0	17	83	0
<b>Lower %</b>	14	86	0	33	67	0	29	71	0	29	71	0	29	71	0	29	71	0	17	83	0
<b>Total %</b>	35	65	0	31	69	0	35	65	0	33	67	0	35	65	0	33	67	0	31	69	0

(Based on Primary Research: Questionnaire)

The data on Comparative Analysis of different types of ITES Industries (Firms) indicate that in CIS firms around 75% of Top managers behave autocratically regarding delegation of authority to subordinates i.e. 75% Top Managers do not believe in delegation of authority to subordinates while only 25% of managers do practice the democratic behavior. In the Banking Services based Call-centers/BPO firms around 67% of Top managers behave autocratically regarding delegation of authority to subordinates i.e. 67% Top managers do not believe in delegation of authority to subordinates while only 33% of managers do practice the democratic behavior. Likewise in the Telecom & Software Services based Call-centers/BPO firms around 75% of Top managers behave autocratically regarding delegation of authority to subordinates i.e. 75% of Top managers don't believe in delegation of authority to subordinates while only 25% of managers do practice the democratic behavior while In the Human Resource Services based Call-centers/BPO firms around 75% of Top managers behave autocratically regarding delegation of authority to subordinates i.e. 75% of Top managers doesn't believe in delegation of authority to subordinates while only 25% of managers do practice the democratic behavior. In the Accounting & Finance based Services based Call-centers/BPO firms around 67% of Top managers behave autocratically regarding delegation of authority to subordinates i.e. 67% of Top managers doesn't believe in delegation of authority to subordinates while only 33% of managers do practice the democratic behavior. In the Data Entry/Conversion Services based Call-centers/BPO firms around 75% of Top managers behave autocratically regarding delegation of authority to subordinates i.e. 75% of Top managers don't believe in delegation of authority to subordinates while only 25% of managers do practice the democratic behavior. In the Medical Transcription & Translation services based Call-centers/BPO firms around 75% of Top managers behave autocratically regarding delegation of authority to subordinates i.e. 75% of Top managers doesn't believe in delegation of authority to subordinates while only 25% of managers do practice the democratic behavior. The table also reveals that at the top level, the overall percentage of autocratically behaving managers is 75 percent, except Banking where it is 67 percent, i.e. the top level managers generally don't want to delegate authority to subordinates.

There is none in the Laissez-Faire Category which signifies that managers do not follow the practice of delegating total authority in the hands of subordinates at any level of management in any of the firms in ITES-BPO industry

## Leadership Style as an Internal Marketing Tool

### Level of Subordinate Participation

The respondents as analyzed on the basis of response to parameters ‘Level of subordinate participation’ provided the following data in percentage terms as given below in Table 8.

**Table 8: Response Pattern in percentage (Level of Subordinate Participation)**

Manager Response	CIS			BANKING			Telecom & Software			HR			ACCT & Finance			Data Entry /Conversion			Medical Transcription & Translation		
	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L
<b>Top %</b>	75	25	0	67	33	0	75	25	0	75	25	0	67	33	0	75	25	0	75	25	0
<b>Middle %</b>	17	83	0	14	86	0	17	83	0	14	86	0	14	86	0	14	86	0	17	83	0
<b>Lower %</b>	14	86	0	33	67	0	14	86	0	29	71	0	29	71	0	14	86	0	17	83	0
<b>Total %</b>	30	70	0	31	69	0	30	70	0	33	67	0	30	70	0	28	72	0	31	69	0

(Based on Primary Research: Questionnaire)

The data on Comparative Analysis of different types of ITES Industries (Firms) indicate that In CIS firms , 75% of Top managers behave autocratically while practicing subordinate participation in providing novel ideas in decision making i.e. 75% Top managers do not encourage subordinate participation while only 25% of managers behave democratically. In the Banking Services based Call-centers/BPO firms , 67% of Top managers behave autocratically while practicing subordinate participation in providing novel ideas in decision making i.e. 67% Top managers do not encourage subordinate participation while only 33% of managers behave democratically. In the Telecom & Software Services based Call-centers/BPO firms ,75% of Top managers are autocratic in nature while practicing participation of the subordinates in providing novel ideas in decision making i.e. 75% do not encourage subordinate participation while only 25% of managers do practice democratic behavior. In the Human Resource Services based Call-centers/BPO firm, 75% of Top managers behave autocratically while practicing subordinates participation in providing novel ideas in decision making i.e. 75% Top managers do not encourage subordinate participation while only 25% of managers do have democratic behavior. In the Accounting & Finance based Services based Call-centers/BPO firms ,67% of Top managers behave autocratically while practicing participation of the subordinates in providing novel ideas in decision making i.e. 67% Top managers do not encourage subordinate participation while only 33% of managers do practice the democratic behavior. In the Data Entry/Conversion based Call-centers/BPO firms 75% of Top managers are autocratic in nature while practicing participation of the subordinates in providing novel ideas in decision making i.e. 75% Top managers do not encourage subordinate participation while only 25% of managers do behave democratically. In the Medical Transcription & Translation services based Call-centers/BPO firms ,75% of Top managers are autocratic in nature while practicing participation of the subordinates in providing new ideas in decision making i.e. 75% Top managers doesn't encourage subordinate participation while only 25% of managers do practice the democratic behavior. Further the table reveals that the overall percentage of autocratic managers at the Top

Level is 70 plus percent i.e. the top level management generally discourages subordinate participation much more than the middle and lower level management.

**Level of Trust towards Subordinates**

The respondents as analyzed on the basis of response to parameters “Level of trust towards subordinates” provided the following data in percentage terms as given below in Table 9.

**Table 9: Response Pattern in percentage (Level of Trust towards Subordinates)**

Manager Response	CIS			BANKING			Telecom & Software			HR			ACCT & Finance			Data Entry /Conversion			Medical Transcription & Translation		
	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L
<b>Top %</b>	75	25	0	67	33	0	75	25	0	75	25	0	75	25	0	67	33	0	75	25	0
<b>Middle %</b>	33	67	0	14	86	0	17	83	0	14	86	0	14	86	0	29	71	0	17	83	0
<b>Lower %</b>	14	86	0	33	67	0	29	71	0	29	71	0	29	71	0	29	71	0	17	83	0
<b>Total %</b>	35	65	0	31	69	0	35	65	0	33	67	0	33	67	0	35	65	0	31	69	0

(Based on Primary Research: Questionnaire)

The data on Comparative Analysis of different types of ITES Industries (Firms) indicate that in CIS firms around 75% of Top managers behave autocratically regarding level of trust towards subordinates i.e. 75% Top managers do not have trust on their subordinates while only 25% of managers do behave democratically. In the Banking Services based Call-centers/BPO firms around 67% of Top managers behave autocratically regarding level of trust towards subordinates i.e. 67% do not have trust on their subordinates while only 33% of Top managers do practice democratic behavior. In the Telecom & Software Services based Call-centers/BPO firms around 75% of Top managers behave autocratically regarding level of trust towards subordinates i.e. 75% do not trust their subordinates while only 25% of managers do behave democratically. In the Human Resource Services based Call-centers/BPO firms around 75% of Top managers behave autocratically regarding level of trust towards subordinates i.e. 75% do not trust their subordinates while only 25% of managers do have democratic behavior. In the Accounting & Finance based Services based Call-centers/BPO firms around 75% of Top managers by nature are autocratic regarding level of trust towards subordinates i.e. 75% do not have trust on their subordinates while only 25% of managers do practice the democratic behavior. In the Data

Entry/Conversion Services based Call-centers/BPO firms around 67% of Top managers by nature are autocratic regarding level of trust towards subordinates i.e. 67% do not trust their subordinates while only 33% of managers do behave democratically. In the Medical Transcription & Translation services based Call-centers/BPO firms around 75% of Top managers behave autocratically regarding level of trust towards subordinates i.e.75% do not have trust on their subordinates while only 25% of managers do have the democratic behavior. The table also reveals that overall 70 plus percent of the top level Managers are autocratic in nature i.e. the top level management is generally not having faith on their subordinates. Additionally

## Leadership Style as an Internal Marketing Tool

the lower level of management has less trust on subordinates as compared to middle level managers. Further there is none in the Laissez-Faire Category which states that in none of the firms in ITES-BPO industry, at any level of management, managers do not have cent percent trust in their subordinates regarding every day affairs

### Work Supervision of Subordinates

The respondents as analyzed on the basis of response to parameters “Work supervision of subordinates” provided the following data in percentage terms as given below in Table 10.

**Table 10: Response Pattern in percentage (Work Supervision of Subordinates)**

Manager Response	CIS			BANKING			Telecom & Software			HR			ACCT & Finance			Data Entry /Conversion			Medical Transcription& Translation		
	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L	A	D	L
<b>Top %</b>	75	25	0	67	33	0	75	25	0	75	25	0	67	33	0	75	25	0	75	25	0
<b>Middle %</b>	33	67	0	14	86	0	17	83	0	14	86	0	29	71	0	28	72	0	17	83	0
<b>Lower %</b>	28	72	0	33	67	0	29	71	0	29	71	0	29	71	0	29	71	0	17	83	0
<b>Total %</b>	41	59	0	31	69	0	41	59	0	33	67	0	41	59	0	39	61	0	37	63	0

(Based on Primary Research: Questionnaire)

The Comparative Analysis of data from different types of ITES Industries (Firms) states that in CIS firms around 75% of Top managers behave autocratically regarding supervision of subordinates work i.e. 75% Top managers have belief in close personal supervision of work done by subordinates while only 25% of managers do have belief in the democratic behavior. In the Banking Services based Call-centers/BPO firms around 67% of Top managers behave autocratically regarding supervision of work done by subordinates i.e. 67% do have belief in close personal supervision of subordinates work while only 33% of managers do practice the democratic behavior. Likewise In the Telecom & Software Services based Call-centers/BPO firms around 75% of Top managers by nature are autocratic regarding supervision of subordinates work i.e. 75% have belief in close personal supervision of work done by subordinates while only 25% of managers do behave democratically. In the Human Resource Services based Call-centers/BPO firms around 75% of Top managers by nature are autocratic regarding supervision of subordinates work i.e. 75% do believe in close personal supervision of work done by subordinates while only 25% of managers are practicing the democratic behavior. In the Accounting & Finance based Services based Call-centers/BPO firms around 67% of Top managers behave autocratically regarding supervision of subordinates work i.e. 67% have belief in close personal supervision of work done by subordinates while only 33% of managers do have faith in practicing the democratic behavior. In the Data Entry/Conversion Services based Call-centers/BPO firms around 75% of Top managers by nature are autocratic regarding supervision of subordinates work i.e. 75% do have belief in close supervision of work done by subordinates while only 25% of managers do have faith in practicing the democratic behavior. In the Medical Transcription & Translation services based Call-centers/BPO firms around 75% of Top managers behave autocratically by nature regarding supervision of subordinates work i.e. 75% have belief in close supervision of work done by subordinates while only 25% of managers do practice the democratic behavior. The table also reveals that the overall 70 plus percent of Top Level Managers are autocratic in nature which means that the top level management has

generally more belief in close personal supervision of subordinates work. Moreover there is none in the Laissez-Faire Category which states that in none of the firms in ITES-BPO industry and at no level of Management, managers have belief that the work will be carried out efficiently & effectively by the Subordinates without being supervised by their higher authorities.

**Hypotheses Testing**

Moreover the Chi-square Analysis for the same data is given below in Table 11 to validate the findings that there is difference in Leadership Styles in different ITES (BPO) Industries (Firms) as shown below:

Chi- Square Analysis (According to the different types of ITES (BPO) Industries)

**Table 11: (Chi-Square Analysis)**

Independent Variable Type of BPO Industry	Autocratic	Democratic	Laissez-Faire	Total
CIS	6 (5.71)	11 (11.2)	Cell value less than 5	17
Banking	5 (5.37)	11 (10.62)	Cell value less than 5	16
Telecom & Software	6 (5.71)	11 (11.28)	Cell value less than 5	17
Human Resource	6 (6.05)	12 (11.94)	Cell value less than 5	18
Data Entry/Conversion	6 (6.05)	12 (11.94)	Cell value less than 5	18
Accounting & Finance	6 (5.71)	11 (11.28)	Cell value less than 5	17
Medical Transcription & Translation	5 (5.37)	11 (10.62)	Cell value less than 5	16
Total	40	79		119

The Chi-square Analysis indicate that the

$$\text{Chi-square} = \sum (I=1-7) \sum (J=1-3) (O_{ij}-E_{ij})^2 / E_{ij}$$

Where  $O_{ij}$  denotes the Observed Frequencies and  $E_{ij}$  indicates the Expected Frequencies (given in` Parenthesis), I denotes the No. of Rows and J denotes the No. of Columns

The no. of Rows and Columns are given below. Thus with seven (7) Rows and Three (3) Column`s, we have the no. of Degree of Freedom as (7-1) (3-1) which is equal to (6)\*(2) =12.

Thus at the level of significance of 0.05 as the computed value of the Chi-square (22.1338) is greater than 21.026, we reject the Null Hypothesis that there is no difference in the leadership style in different types of ITES-BPO Industries. Thus the Alternate Hypothesis  $H_1$  is automatically accepted which states that there is difference in the Leadership style in different types of ITES-BPO Industries in Delhi/NCR

Thus, it can be concluded that there is difference in the leadership styles of different types of ITES-BPO Industries.

## Leadership Style as an Internal Marketing Tool

Moreover the detailed Chi-Square Analysis is done to validate findings that there is difference in leadership style at various Levels of Management in different ITES(BPO) Industries as shown in Table 12 below as:

**Table 12: Chi-Square Analysis (According to various Levels of Management in different ITES (BPO) Industries (Firms))**

Independent Variable Level of Management in ITES-BPO Industry	Autocratic	Democratic	Laissez-Faire	Total
Top	19 ( 8.73)	7 (17.26)	Cell value less than 5	26
Middle	9 (15.46)	37 (30.53)	Cell value less than 5	46
Lower	12 (15.79)	35 (31.20)	Cell value less than 5	47
Total	40	79		119

**The Chi-square Analysis indicate that**

$$\text{Chi-square} = \sum_{(I=1-3)} \sum_{(J=1-3)} (O_{ij}-E_{ij})^2 / E_{ij}$$

Where  $O_{ij}$  denotes the Observed Frequencies and  $E_{ij}$  indicates the Expected Frequencies (given in Parenthesis), I denotes the No. of Rows and J denotes the No. of Columns

The no. of Rows and Columns are given below. Thus with three (3) Rows and Three (3) Column's, we have the no. of Degree of Freedom as (3-1) (3-1) which is equal to (2)\*(2) =04 .

Here the Chi-Square Analysis says that

$$\begin{aligned} \chi^2 &= (19- 8.73)^2 / 8.73 + (7-17.26)^2 / 17.26 + (9-15.46)^2 / 15.46 \\ &+ (37-30.53)^2 / 30.53 + (12-15.79)^2 / 15.79 + (35-31.20)^2 / 31.20 \end{aligned}$$

Thus from the above it gives that

$$\begin{aligned} \chi^2 &= 12.08 + 6.09 + 2.69 + 1.38 + 0.90 + 0.46 \\ &= \mathbf{23.60} \end{aligned}$$

This calculated value of the Chi-square ( $\chi^2$ ) from above is 23.60 which is more than the Observed value of 9.488 ( as from the Table at significance Level of 0.05) thereby indicating that the null Hypothesis  $H_0$  is automatically rejected .Thus the Alternate Hypothesis  $H_1$  is true which states that there is difference in the Leadership style at various levels of Management in respective ITES-BPO Industries in Delhi/NCR

### Conclusions and suggestions

The ITES (BPO) Industry is currently suffering from very high rate of Attrition which is proving to be a menace for its existence. It is generally perceived that this Industry is comprised of

learned (educated) people who abstain from Autocratic style of Leadership and predominantly follow the democratic leadership style which is adopted by managers at different levels while solving the organizational problems & managing the subordinates. Moreover the style of leadership was perceived to be same in all types of firms falling in ITES-BPO industry but on the contrary the analysis reveals that overall more than 70 percent of Top managers are autocratic in nature (behaviour) while rest of them are Democratic. They are the Custodians of the Organization and are main policy planners and providers of resources. Their autocratic nature gets reflected in all day to day affairs of the business firms with communication (both verbal and written) down the line having negative influence on the subordinates attitude towards workplace. This possibly results in high attrition rate thereby leading to rising cost for the industry. The companies cannot afford to increase their costs which could be in terms of both hiring as well as training of the Employees.. Also the observation is that the middle level management is more democratic in comparison to other levels of Management but they are also the worst sufferers in terms of Attrition which is highest at middle level thereby leading to 'Mid-management Crisis'. The need of the hour for the Top Management is to hone their Leadership skills and to use their leadership style as an Internal Marketing Tool to increase the work satisfaction Level of their subordinates. They must treat them as internal Customers with a realistic preview of job assignments given to subordinates. Also the incorporation of soft skills such as empathy, Self-management & Self-regulation must be done while communicating their business ideas and business philosophy to them. Moreover a proper guidance with amicable behaviour towards the lower level management officials is also mandatory as the research analysis signifies that officials at the lower level are much younger and immature (generally fresh graduates) who require closer supervision and more directions. The unabated growth story of Indian ITES-BPO industry requires many challenges to be overcome such as combating high attrition level, rising cost, competition posed by other low cost nations etc. This has special significance in the current era of economic slowdown with constantly squeezing margins. Most importantly it requires visionary leaders who can foresee future opportunities and threats. This requires nurturing leaders having more trust and faith in their subordinates so as to constantly get them a feel of the environment within as well as outside the organization. Having more trust in subordinates can lead to innovative ideas and ways of doing things. It will breed greater loyalty among the subordinates towards the organization and can have a cascading affect on the attrition level and cut down the operating costs. It will also help to transform this Industry into a serious carrier destination with attracting of new talent becoming easier. Thus more emphasis on democratic style of leadership and particularly by the managers at the top management level can prove to be a panacea & raise this Industry to unprecedented heights.

#### **Authors' Note**

This manuscript is the authors' original work, has not been published and is not under consideration for publication elsewhere.

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## Leadership Style as an Internal Marketing Tool

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