

## ROLE OF LEARNING MANAGEMENT SYSTEM IN RETENTION OF EMPLOYEES IN BPO INDUSTRIES IN CHENNAI CITY

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### ABSTRACT

The purpose of this study is to examine the cause and effect relationship between the attributes of the Learning Management system in the organization on employees' retention in BPO companies in Chennai city. The questionnaire was used to collect the primary data from the samples 450 employees working in BPO companies from Chennai city using convenience sampling method. The data collected through the questionnaire was analyzed through structural equation modeling approach. The results of the study proved that the attributes of LMS is having significant effect on retention of employees in BPO companies in Chennai city.

**Keywords:** Learning Management system, Employees' retention, Technology experience, Service Quality, KSA development, Career advancement,

### INTRODUCTION

Learning in organization becomes essential in this technological era, because everything around us changes in the rapid pace. Due to liberalization and globalization the competition among the industries become more vibrant, therefore in order to compete with the organizations in developed countries, the organizations in the developing countries like India, need to ensure organizational learning to keep their employees update in the relevant technologies. The term "learning organization" describes an organization with an ideal learning environment, perfectly in tune with the organization's goals. Learning is the way we create new knowledge and improve ourselves. Although there is ample debate regarding the mechanisms and scope of learning, in its simplest form this is no different for organizations. As one can see organizational learning is based on applying knowledge for a purpose and learning from the process and from the outcome. Brown and Duguid (1991) describe Organisational learning as "the bridge between working and innovating." This once again links learning to action, but it also implies useful improvement. The Learning Management System (LMS) has become an extremely influential tool for organizations looking to enhance the performance and retention of its talent pool. LMS is a software that enables business organizations and academic institutions to create and manage lessons, courses, quizzes and other training materials. A learning management system also helps the organization provide training materials and lessons to employees, students or partners (Saikumari et al., 2018; Radha et al., 2019). The purpose of the study is to examine the cause and effect relationship between the attributes of the Learning Management system in the organization on employees' retention in BPO companies in Chennai city.

### LITERATURE REVIEW

#### Literatures related to Learning Management System (LMS)

Joel and Christina (2018) recognized the vital factors that have an impact on learners' satisfaction with regards to e-learning system in Tanzania at the University of Dar es Salaam was studied by using DeLone and McLean (D&M) (2003) model. The selected model was verified by using regression analysis with a sample size of 153 students who have registered for the e- learning course. The outcome of the research shows that system, instructor, and service quality having a noteworthy and positive effect towards satisfaction of the learners, where service quality being the strongest predictor. Meanwhile the research outcome discovers that course quality do not have any noteworthy effect on satisfaction of the learners with the e-learning system. The results of the research will help the educational Institutions to planning or implementing e-learning systems which in turn will improve satisfactions of the learners therefore, escalate the success systems.

Oliveira et al. (2016), evaluated the present existing literature about the adoption of LMS for the e-learning system. The researcher conducted an integrative literature review the articles indexed in EBSCO, Web of Science, Scopus and SCI databases in which seventy eight where 78 references were found, of which twenty five were full articles. By analyzing the articles the researcher came to a conclusion that quantitative research

was carried out often and survey methods of research design was adopted in all the research. Mover the study also revealed that the method of educational platforms belong to Instructional Resources and very less of interface.

### **Literatures related to Employee Retention**

Jitesh Kumar and Jagmeet (2017) in their study article stated the association among HR practices and retention of employees in the selected firm. The research reviews appropriate literature to recognize elements of HR practices that impact retention of employee. Over the previous era, the manner in which human resources have been handled and managed at work place has been acknowledged as one of the key features in attaining improvement in performance of each and every organizational. This research study was conducted in steel industry of Ludhiana in order to analysis the HR policies adopted by them in employee retention. This research has pointed out the factors which are accountable for retention of employees, such as satisfaction of employee in the job carried out by them, welfare and safety measure provided by the firm and the working atmosphere that prevailed in the organization.

Sultana Nazia and Bushra Begum (2013), in their article recognized the HR practices that were adopted by a chosen Indian MNCs in order to retain their employees and also pinpoint the views of the employees with regards to such retention practices. In recent years retention of employee has gained significant in current years, mainly as part of talent management programs, and its significance can be seen so much that the HR practitioner who incorporates it into a talent program may raise bewildered by the huge volume of study about it. Retention of employee is more than just keeping employees on the work it is more about nourishing employees, primarily by improving their satisfaction in job.

### **Literatures related to relationship between learning management system with employee retention**

Liz Lee et al. (2007), examined the relationship between learning organization theory and the capacity to retain knowledge workers in the organization. It highlights that HR managers must diagnose specific relationships between learning organization elements, job satisfaction attributes and turnover intent as they occur for their knowledge workers. A survey was undertaken sampling knowledge workers in the IT industry. Measured on a Likert scale, the instrument was designed to explore the impact of learning organization disciplines upon job satisfaction and the importance of job satisfaction in determining turnover intent. Analysis of the data established the relationship between learning organization and turnover intent. The results suggest that three initial strategies should be implemented by HR managers in order to reduce possible staff turnover. The strategies identified are first, linking shared vision, challenge and systems thinking together via personal mastery; second, being more critical of which mental models are developed and shared within the organization; and finally, developing team learning systems throughout the organization.

Piyali et al. (2013), discovered the factors which maximally discriminate between those employees who intend to leave the organization and those who intend to stay with the organization. The primary motive was to find those factors which are strong predictors of intention to stay, so that employees who intend quitting are identified in advance, and remedial measures are taken to retain them, especially if they are key performers. A questionnaire covering several aspects relating to employee retention was designed and distributed amongst a sample of 100 employees chosen through incidental sampling. Data thus collected was subjected to factor analysis, which yielded seven factors: Goal Clarity, Autonomy, Employee Engagement, Affective Commitment, Organizational Culture, Compensation and Benefits, and Normative Commitment. Discriminant analysis was done on these factors to identify the best predictors of employees' intention to leave or stay, by creating a discriminant function. Results showed that Affective Commitment, Normative Commitment and Goal Clarity were the best predictors of employees' intention to stay or leave the organization. Increasing employee turnover rates have necessitated the formulation and implementation of a robust retention strategy to effectively reduce employee turnover. By building a decision rule and a cut-off score to classify an employee into one of the two groups – “intend to leave” or “intend to stay” – an organization would be able to invest its resources in the right employees.

Natalie et al. (2011), investigated the factors which has the effect on employee retention. The primary data of the research were collected through the questionnaire, both hard and soft copy. The 972 sampled clerks from various profit and non-profit organizations. The results show that the learning of employees in the organization has its effect on retention of employees. Allowing people to learn what they are interested will inspire them to stay with the organization. Results concerning the demographic profile of employees indicate that only age group has a significant effect with retention.

## CONCEPTUALIZATIONS OF RESEARCH CONSTRUCTS

### **Learning management system and its factors**

Learning Management system construct in the present research is evaluated through four major dimensions such as technology experience, service quality, system quality, and information quality, whereas Employees' retention construct is assessed through training & development, KSA (Knowledge, Skill, and Attitude) development, utilization of skills & abilities, and career advancement.

#### ***Technological Experience***

The term 'technological experience' refers to experience of the user about the technology used in Learning Management System. Latest technology facilitates latest features, and user friendliness.

#### ***Service Quality***

Service Quality or quality of service is provided by the one to another and its evaluation is done by the receiver based on the differentiation of the perception and expectation of the quality of services provided by the service provider. The level of service provided by a person, organization, or a computer-based source. If the service is provided by a computer-based source (e.g., Web site), the service quality is referred to as an electronic service quality.

#### ***System Quality***

System Quality focuses on the performance characteristics of the system under study by researching resource and investment utilization, reliability of devices or products, response times of employees, a device's ease of use, human factors, design controls and system accuracy.

#### ***Information Quality***

Information quality contribute significantly to the success of e-learning system. This factor, quality of information refers to the measurement of IS output, mainly the quality of the information produced by the system, which is primarily in the form of reports. At the same time, it also includes the characteristics of the quality of information. They are accuracy, precision, reliability, completeness, conciseness, relevance, understandable, meaningfulness, timely, comparability, and format. Most of the earlier focused on IS success models as a whole studies and examined the relationship between information quality and use.

### **Employee' Retention and its factors**

The capacity of an organization to retain its talented employees is known as Employees' retention. It is the goal of the organization to keep talented employees and reducing attrition rate to develop a positive work atmosphere to create engagement, demonstrating the appreciation to employees, and offering competitive pay and benefits and better work-life balance. Employers are particularly interested in retaining employees during periods of low unemployment and heightened competition for talent. To retain employees, organizations use human resources technology for recruiting, onboarding, engaging and recognizing workers and offer more work flexibility and modern benefits like physical and financial wellness programs.

#### ***Training & Development***

Training and Development is one of the main functions of the human resource management department. Training refers to a systematic setup where employees are instructed and taught matters of technical knowledge related to their jobs. It focuses on teaching employees how to use particular machines or how to do specific tasks to increase efficiency. Whereas, Development refers to the overall holistic and educational growth and maturity of people in managerial positions. The process of development is in relation to insights, attitudes, adaptability, leadership and human relations.

#### ***KSA Development***

A KSA (knowledge, skills, and abilities) is a detailed list of the qualifications that a person needs to perform a specific job. The KSA is created by the employer, and it helps them single out the candidate who's the best fit for a job based on their answers to job-related questions.

#### ***Utilization of Skills and Abilities***

Effective skill utilization requires complex and challenging jobs. Organizations have a large amount of leeway in how to combine tasks to form jobs. Skills are found in people; organizations need to offer the right incentives to unlock workers' potential. Skills can be built on the job, and workplaces are great

learning environments. Job complexity has a motivational component that can be used to induce workers to apply and develop their skills.

### ***Career Advancement***

Career advancement is one of the key element for employee satisfaction and retention at a company. Career advancement refers to the upward progression of one's career. An individual can advance by moving from an entry-level job to a management position within the same field, for instance, or from one occupation to another.

## **METHOD**

### **Measures of the constructs**

The research survey was done using self-report questionnaire. The respondents were asked to provide demographic information such as gender, qualification, designation and experience followed by giving Responses to statements related to Learning Management system (20 items) on four factors namely technology experience, service quality, system quality, and information quality, whereas employees' retention (20) is assessed through training & development, KSA development, utilization skills & abilities, and career advancement. These factors of the study are taken from earlier researches related to the research environment. Respondents opinion were received in a five-point Likert scale ranging from strongly disagree, disagree, Neutral, Agree and strongly agree. All the items in the questionnaire were given in English language.

### **Subjects and procedure**

The data used to evaluate the proposed research model were chosen through convenience sampling method. This survey was open to samples who are working in BPO companies located in Chennai city and have minimum of one year experience and at least having a working knowledge of LMS in the present company. An overall sample of 450 responded to the questionnaires in the survey from various BPO companies located in Chennai city. The questionnaires were circulated and gathered in one month time, exactly during the break hours. On an average, samples took around 15 -20 minutes to respond to the questionnaire. The reliability and validity analysis of the questionnaire based on the results of the pilot study conducted with 40 samples are summarized in table 1 and 2.

**Table 1. Reliability Results**

Sl. No	Scales	Reliability Cronbach	Results
1	Technology Experience (TE)	0.794	Acceptable
2	Service Quality (SEQ)	0.782	Acceptable
3	System Quality (SYQ)	0.904	Excellent
4	Information quality (INQ)	0.815	Good
5	Training & Development (TD)	0.820	Good
6	KSA Development (KSA)	0.788	Acceptable
7	Utilization of Skills & Abilities (USA)	0.915	Excellent
8	Career Advancement (CA)	0.823	Good

The results of the reliability analysis is shown in table 1, which indicates all the factors of data collection instrument are having acceptable level of reliability.

**Table 2. Convergent Validity - Results**

S. No	Indices	Value	Suggested value	Interpretation
1	Construct Reliability / Composite Reliability (CR)	0.82	CR > 0.7	Good
2	Average Variance Extracted (AVE)	0.73	AVE > 0.5	Good
3	Maximum Shared Variance (MSV)	0.77	MSV > AVE	Good
4	Average Shared Squared Variance (ASV)	0.75	ASV > AVE	Good

The results of convergent / composite validity are shown in table 2, which indicates that all the indices are within the suggested range.

### Sampled Employees Profile

The table 3 presents the demographic profile of the sampled employees' profile using frequency analysis.

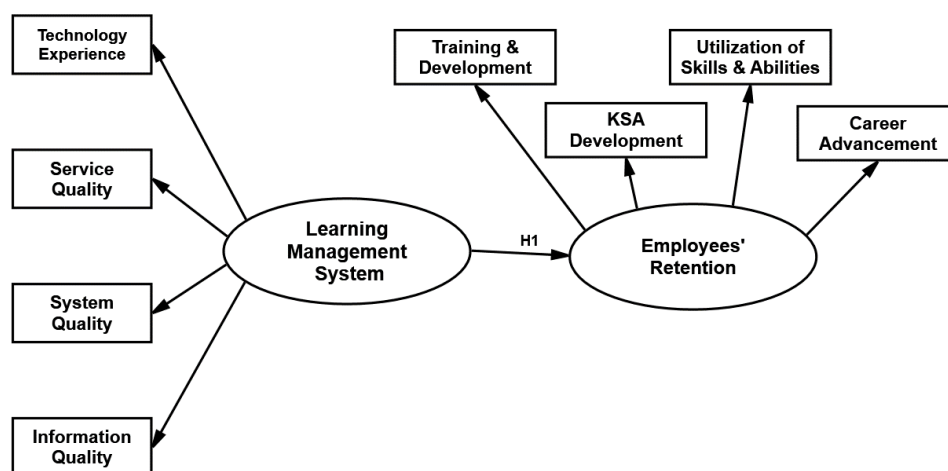
**Table 3. Sampled Employees' Profile**

S. No	Particulars	Frequency	Percent
1	Gender		
	Male	239	59.33%
	Female	211	40.67%
2	Qualification		
	Undergraduate	187	58.00%
	Post-graduate	146	30.67%
	Others	117	11.33%
3	Designation		
	Junior level	172	48.00%
	Middle level	155	36.67%
	Senior Level	123	15.33%
4	Total Experience in BPO industry		
	1 - 3 Years	162	41.33%
	3 - 6 Years	154	36.00%
	Above 6 Years	134	22.67%
	<b>Total</b>	<b>450</b>	<b>100</b>

From the table 3, it is identified that majority (59.33%) of the sampled employees from BPO are male, and around 41% of them are females. Now-a-days even female prefers to work in night shift jobs in BPO companies. 58% of the sampled employees are undergraduates, 30.67% of them are post-graduates, and 11.33% of them comes under 'others' category who has completed ITI/ Diploma, M.Phil, etc. Out of 450 employees surveyed in the research, 48% of them are working in entry/ junior level, one-third (36.67%) of them are working in middle level, and 15.33% of them are working as senior level executives in BPO companies. The 41.33% of the sampled employees are having the total work experience of 1 - 3 years, 36% of them are having 3 - 6 years, and 22.67% of them are having the total experience of more than 6 years in BPO industry.

### RESEARCH MODEL AND DEVELOPMENT OF HYPOTHESIS

The research model which tests the cause and effect relationship between learning management system and employees' retention in BPO industries is portrayed in figure 1, because BPO is the knowledge based industry which needs technical knowledge and communication skill to answer customer queries, provide solution to the customer complaints/ problems, and adopt the appropriate procedure to process the various kinds of documents according to the clients requirements.

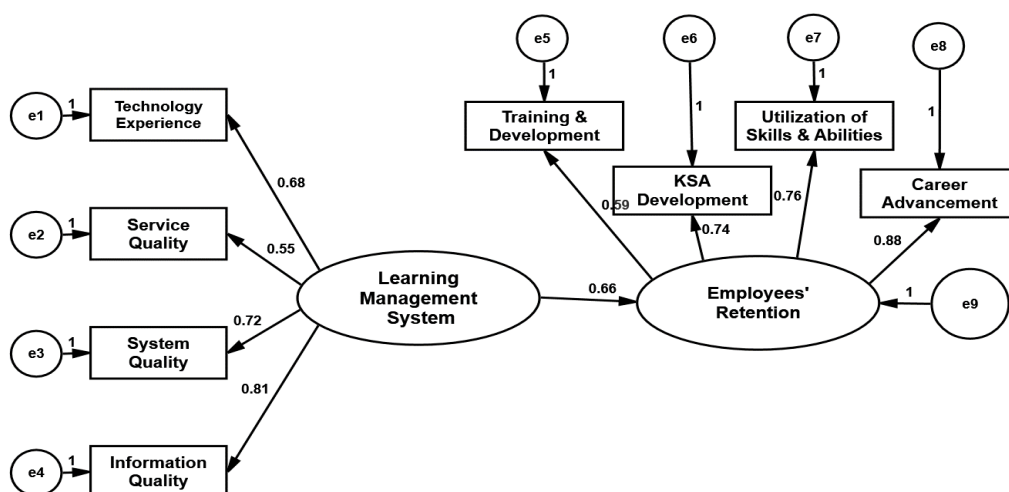


**Figure 1: Research Model**

Each path which connects the constructs and variables represents the relationship to be tested using the Hypothesis testing, therefore the following hypothesis can be outlined based on developed research model:

H1: Learning Management system (LMS) is having significant positive influence on retention of employees in BPO companies at Chennai city.

### STRUCTURAL EQUATION MODEL (SEM)



**Figure 2. Standardized path estimates in SEM**

The Research Model was established to examine the cause and effect relationship among the chosen constructs. Figure 2 represents the research model based on standardized path estimates.

**Table 4. Path coefficient of the Research Model**

Path		Path coefficient	P
Technology Experience (TE)	<--- Learning Management System	0.681	-
Service Quality (SEQ)	<--- Learning Management System	0.546	<0.001**
System Quality (SYQ)	<--- Learning Management System	0.720	<0.001**
Information quality (INQ)	<--- Learning Management System	0.813	<0.001**
Training & Development (TD)	<--- Employees' Retention	0.589	-
KSA Development (KSA)	<--- Employees' Retention	0.741	<0.001**
Utilization of Skills & Abilities (USA)	<--- Employees' Retention	0.763	<0.001**
Career Advancement (CA)	<--- Employees' Retention	0.879	<0.001**

All the observed variables of the research are having significant loadings on its construct and it is demonstrated in table 4. The factors namely technology experience, service quality, system quality, and



information quality substantially correlated on the main construct i.e. Learning Management System with standardized regression coefficient more than 0.5. Similarly, the factors training & development, KSA development, utilization of skills & abilities, and career advancement are also meaningfully related with its main construct i.e. Employees' retention with standardized path coefficient more than 0.5. All the above-mentioned factor loading are positive and significant at 0.01 level.

### Hypothesis testing

**Table 5. Hypothesis testing**

Path			Path coefficient	P	Hypothesis Result
Employees' Retention	<---	Learning Management System	0.664	<0.001 **	Significant at 0.01 Level

Table 5 represents the results of hypothesis testing of cause and effect relationship between independent (i.e. Learning Management System) and dependent (Employees' Retention) variable. The path coefficient between Learning Management System and Employees' Retention is 0.664, which is positive and significant at 0.01 level, therefore it is concluded that Learning Management System of the BPO companies is having significant positive effect on employees' retention through offering training & development programmes, KSA development, utilization of their skills & abilities, and offering advancement in their career.

**Table 6 Research Model Fit**

S. No	Model Fitness Index	Value	Suggested Range
1	P value (Significance value )	0.213	P > 0.05
2	RMSEA (Root Mean Square Error of Approximation)	0.019	< 0.08
3	GFI (Goodness of Fit Index))	0.913	> 0.90
4	AGFI (adjusted Goodness of Fit Index)	0.906	> 0.90
5	Chi-square / DF	2.479	2 to 5
6	RMR (Root Mean Square Residuals)	0.018	< 0.08

Table 6 encapsulates the summary of the research model fit with the primary data. As shown in the table 6, all the indices values are at satisfactory level, therefore it is concluded that the research model is found to be fit.

### CONCLUSION

The results of the present research evident that the proper focusing on the design, and development of Learning Management System and its attributes namely Technology Experience, Service Quality, System Quality, and Information quality could help the employees in BPO industry to attend effective training & development programmes which would result in their KSA development, and proper utilization of skills & abilities and offering career advancement results in retention of the employees in BPO companies. The findings of the research proved that an effective LMS in the organization can retain employees of the firm and establish long-term relationship with them.

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