

EMPLOYEE RETENTION IN INDIAN BPO INDUSTRIES – AN OVERVIEW

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Abstract : Human resources can make or break your business. Even though most of the organizations are now-a-days becoming techno savvy, yet personnel are required to run the technology. The IT enabled services (BPO) industry is being looked upon as the next big employment generator. It is however no easy task for an HR manager in this sector to bridge the ever increasing demand and supply gap of HR. The biggest challenge that organizations are facing today is not only managing human resources but also retaining them. Attrition is the biggest problem faced by BPOs these days. Attrition rate in BPOs is more than the attrition rate in any other sector. Many retention schemes are applied in BPOs for retention. The worse case for BPO companies are fresh talent is intensively trained and inducted and the further to the successive stages. This study help to understand the reason behind why do BPO personnel switch their jobs, to know why retention is needed and to understand the various strategies adopted by BPO sector for retaining employees.

Key words: BPO – Business Process Outsourcing, Employee Retention, Attrition, HR-Human Resources

INTRODUCTION

Human capital is the most crucial resource on which the ITES depends. Employee retention refers to the ability of an organization to retain employees. Changes in business environment, demographics and LPG have created new opportunities as well as escalated the level of competition in the BPO industries. Human resources are the life blood of any organization. It is essential to protect the essence resource as talented and motivated employees play key role in overall development and in the success of the organization. It is very important to control this attrition rate. A single tool like training will not help to retaining employees in near future. Retaining employee will be beneficial for the employee as well as organization. The companies have to bring innovative and motivating retention tools and techniques for retaining qualitative manpower. Attrition in BPOs has terrible effect on the organization. The high attrition cost increases the cost of organization too. The more people leave an organization, the more it is a drain of companies resources. Therefore it is extremely necessary to curb attrition not only for an individual firm but also for the industry as whole.

LITERATURE REVIEW:

Sengupta, S., & Gupta, A. (2012) says the Business Process Outsourcing (BPO) industry in India is progressing with an unparalleled velocity. Despite the momentous growth and brilliant future the BPO industry has experienced high attrition rates since inception. There are many factors that lead to attrition in BPOs and much research has taken place in this field. They made a comprehensive attempt to explore the dimension of attrition by identifying the factors that lead to assessing the contribution towards attrition.

RESEARCH METHODOLOGY:

This study is based on Secondary Data, literatures available from various books, journals and websites. In Order to gain a deeper understanding about the phenomenon of employee retention and attrition lot of literature on BPO was published which was studied in details.

OBJECTIVE OF STUDY:

- ❖ To understand the concept of employee retention& attrition
- ❖ To find out the reasons for frequent job switching.
- ❖ To suggest the strategies of retention of employees in BPO sector in India.

BUSINESS PROCESS OUTSOURCING :

BPO is not new concept, but is the latest phenomenon to grip India. BPO is increasingly becoming the strategic choice of companies looking to achieve cost reductions while improving their service quality, increasing shareholder Business Process Outsourcing (BPO) is the delegation of non-core activities i.e. IT-intensive business to an outsider. BPO is one of the fastest growing segments of ITES industry.

Employee Retention: An effort by a business to maintain a working environment which supports existing employee in remaining with the company.

Attrition: Refers to the loss of employees through a number of circumstances, such as resignation and retirement. The cause of attrition may be either voluntary or involuntary, though employer-initiated events such as layoffs are not typically included in it.

REASON FOR JOB SWITCHING IN BPO INDUSTRY:

When there are so many advantages and privileges coupled with the BPO industry. Then why people quit or changes jobs in BPO. Whether it's because of salaries or anything else as well??The following reasons for a BPO professional to change his/her job. In an industry like BPO, the work can frequently be boring and opportunities for career growth are nominal. So when opportunities are nominal, the high rate of attrition is not shocking. However, there are some common reasons that especially cause people to leave.

- ❖ For higher salary
- ❖ Misguidance by the company
- ❖ Low career prospect/Lack of promotion
- ❖ Pursuing higher studies
- ❖ Lack of work-life balance
- ❖ Companies policies and rules are not motivating
- ❖ Hectic schedule
- ❖ Health problem.
- ❖ Non-cordial relationships with superiors
- ❖ Monotonous work
- ❖ Unexpected job responsibilities
- ❖ No financial aid.
- ❖ No time for personal life
- ❖ Grievances Dissatisfaction with present jobs
- ❖ Lack of trust and support from colleagues, seniors and management

CHALLENGES FOR A HR PROFESSIONAL IN BPO

Span of Control: Managing huge number of people in minimal amount of time is a major difficulty faced by HR professionals. For managing huge workforce, the HR manager have to be extremely keen and skilled in managing all the employees.

Brand equity: People still follow the old concept of BPO being low-brow which has to be eliminated by providing skills and expertise to the employees.

Pre-job training: Many times induction is not imparted to new employees which lead to waste of talent, time resources, there is no standard curriculum, which could be designed and followed.

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Benchmarks: No standard benchmarks for compensation and benefits, performance or HR policies. Everyone is framing their own targets

Even as high attrition rates continue to haunt Infosys, the country's largest IT services firm. The Bangalore-based firm has witnessed steady exits, especially of senior executives, in the last two years. The attrition level grew higher to 20.1% in the July-September 2014 quarter as compared to 19.5% in the April-June 2014

EMPLOYEE RETENTION STRATEGIES:

Following are the various strategies which can boost successful employee retention in BPOs

STRATEGY RELATING TO RETAIN THE EMPLOYEES:

E.g. - "Notch UP" Programme by Wipro in 2014: Wipro has launched one of its biggest employee retention programmes, aiming to stem the exodus of experienced executives by offering them a chance to study at some of engineering and management colleges. So they can not go out for pursuing higher studies.

Strategy relating to Cost reduction : First know the cost: This is the most basic and initial part of the retention process. The turnover cost includes cost of selection process, hiring, induction, training, etc. Many times induction has to be imparted to new employees which lead to create healthy and good relationship among the employee and also with the superior which can increase the co-ordination among them. To reduce waste of talent and time resources, proper training has to be given to the employees for that there should be standard curriculum, be designed and followed by the management.

Strategy relating to Health Care - Group Medi-claim Insurance Scheme: This insurance scheme is to provide adequate insurance coverage of employees for expenses related to hospitalization due to illness disease or injury or pregnancy in case of female employee or spouse of male employee.

Recreation Cafeteria and Concierge facilities: the recreation facilities include pool tables chess, well equipped gyms etc to relief the employees from the Monotonous work.

Strategy relating to Career Opportunities: The perception is that BPO jobs do not offer career growth. But most BPOs have established an in-house counseling team that offers employees a variety of career advice. A career planning sheet is given to all employees at the recruitment stage itself. This outlines the organizational structure and the skill sets requires for the various function at various levels of the enterprise. Apart from this, each individual's competencies, strengths and areas of improvement are evaluated which show way future roles. Infosys has a career planning committee to guide young employees on their future prospect.

Strategy relating to motivation through the company policies - Providing Educational opportunities: Recognizing that most younger upper middle class Indian graduates have higher educational aspirations therefore BPO companies has started earn and learn program in which they had tied-up with many MBA and computer institutes so that the employees are able to work and study at the same time. Companies are also ready to reimburse the course fees once the employees enter into an agreement with companies for an assures number of years of services.

Strategy relating to the financial aid - Loans: Many companies provide loan facility on different occasions like medical emergency, wedding etc Various scheme are brought forward for retaining employees through monetary benefits. Provide employment Stock Option Plan for employees.

Strategy relating to Employee Engagement: The organizations capacity to engage, retain and optimize the value of its employees hinges on how well jobs are designed, how employees time is used and the commitment and support that is shown to employees by the management would motivate employees to stay in organizations. And also maintain proper work life balance. This strategy help to maintain good relationship among the superior and employees.

Strategy relating to empowerment of employees: This could help to enhance the continuity of employees in organizations. In other words superior has to delegate more decision and task to subordinates, by delegating responsibilities to them they feel motivating and stay with organization

Strategy relating to control attrition - Many companies like Wipro IBM HCL use IQ and EQ test to get people who can work at night and can handle the monotony. Some of the BPO firms have adapted to the strategy of employing housewives and retired person. They believe that this would help in controlling attrition. BPOs like Wipro HCL believe that recruiting the undergraduates itself is a strategy to control attrition.

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OTHER STRATEGIES

- ❖ Strategies on how to minimize employee attrition
- ❖ Innovative techniques to recruitment
- ❖ Changing perception of employees from life style to career
- ❖ Retention is much more effective when you the right person into the right job.
- ❖ Clarity about the job profile and appraisal system
- ❖ Employee committees

SUGGESTION:

The Three R's of Employee Retention:

R- Respect

R- Recognition

R- Reward

When you implement the three R's approach companies will get following benefits:

- ❖ Reduced absenteeism
- ❖ Increased productivity
- ❖ Increase in profits
- ❖ Pleasant work environment for employees as well as employer
- ❖ Organization should improve the selection process
- ❖ Companies should focus on training and development
- ❖ Quality supervision
- ❖ Should give importance to work-life balance

CONCLUSION:

Retention has become a key challenge for BPO firms and it changes organization. But in the competitive world firm should come with certain welfare programme, induction policy and should target on respect, reward and recognition, in addition to this they have to concentrate on compensation, encouragement, Infrastructure, potential safe environment and job satisfaction.

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