

Retention Strategies With Reference to BPO Sector

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Abstract — Human Capital is an important asset to any organization. It is the most crucial resource on which the Information Technology & Information Technology Enabled Services (IT & ITES) depends. Retaining information technology & BPO sector employees has been a problem in many organizations for decades. The HR managers have been facing a tough time in finding a suitable replacement with required experience and ability, to fill up the vacancies created on account of exit of key employees.

When key soft-ware developers quit, they depart with critical knowledge of business processes and systems that are essential for maintaining a competitive advantage. Therefore, it is essential to protect this vital resource, as talented and motivated employees play a crucial role in overall development, growth and success of the organization. Focusing on employee retention techniques can positively impact the organization as it increases employee productivity, performance, reputation of the organization, quality of work, profits, and reduces turnover and absenteeism.

This study helps to understand the reasons behind why do ITES professionals switch their jobs, to know why retention is needed & to understand the various strategies adopted by BPO sector for retaining their employees.

Keywords: Retention, BPO sector, Human Capital

I. INTRODUCTION

Employees are the valuable asset for every organization. It is essential to protect this vital resource as talented and motivated employees play a crucial role in overall growth and in the success of the organization, but attrition is the biggest problem faced by BPOs in modern era. Attrition rate in BPO sector is more than the attrition rate in any other sector. It is very important to control this attrition rate. Many retention schemes are applied in BPOs for retaining employees. A single tool like training alone is not sufficient for employee retention. The best results for employee retention can be achieved by applying different tools strategically. Employee Retention involves taking various measures to encourage employees to remain in the organization for the maximum period of time. It is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the employee also & for the organization also. It is known fact that retaining the best employees ensures customer satisfaction, increased product sales, increased productivity, satisfied colleagues and reporting staff, effective succession planning and deeply embedded organizational knowledge and learning. Employee retention matters, as organizational issues such as training and investment, lost knowledge, insecure employees and a costly recruitment process are involved. Hence, failing to retain a key employee is a costly proposition for an organization.

WHY DO EMPLOYEES LEAVE THEIR JOBS?

In an industry like BPO, the work can often be monotonous & opportunities for career growth are less. There are some common reasons that especially cause

people to leave. Surveys have listed the following as few major reasons for attrition;

- Unexpected job responsibilities
- Dissatisfaction with present job
- No growth opportunities
- No Work - Life Balance
- Stress from overwork
- Lack of trust and support from colleagues, seniors and management
- New job opportunity
- Inadequate salary
- Night shifts and rotational shifts
- For higher education
- Inability to handle various types of stress
- Monotonous work
- Problems with those in senior positions or peer managers
- For higher salary and better designation
- No time for personal life
- Misguidance by the company
- Grievances

These are few reasons of quitting the BPO jobs which is collected by the employees by surveys also. Hence, we can analyze that it is not only the money and career factors which motivate the employees to quit their jobs in BPOs, but it is also influenced by mental, physical and emotional factors. Most of the candidates get attracted to the BPO sector as they want to explore the corporate world and make some money, they also get attracted towards hikes and better offers from other companies and then they opt to change company as there would be a hike in the salary by next hiring company. But in these days, many BPOs have made efforts to minimize attrition rate and have been traced out several safety measures to retain the employees in the organization. Employee retention is obviously one of the toughest tasks in the organization. The attrition rate in BPO is very high & therefore various strategies have been drafted to retain the employees.

IMPORTANCE OF RETENTION

Retention is important for management as well as for employees also. More than half of the employers retain workforce to avoid associated costs of hiring and training. A **Nasscom-Hewitt Associates** survey says that the cost of attrition in the industry is 1.5 times the annual salary. As per survey following costs are incurred if employee leaves an organization.

- 51% - costs of hiring & training
- 24% - loss of productivity
- 19% - damaged morale of employees
- 6% - loss of business

Apart from these, because of the following reasons employee retention is important.

- The employees working for a longer period of time are more familiar with the company's policies, guidelines and thus they adjust better.
- An organization invests time and money in grooming an individual and makes him ready to work and understand the corporate culture.
- Hiring is not an easy process.
- When an individual resigns from his present organization, it is more likely that he would join the competitors.
- It has been observed that individuals sticking to an organization for a longer span are more loyal towards the management and the organization.
- Employee retention helps in increased productivity, profit maximization, reduced absenteeism.

RETENTION STRATEGIES TO CONTROL ATTRITION RATE

Following are some of the retention strategies which is followed by most of the BPOs.

- **Group Medi-claim Insurance Scheme; Personal Accident Insurance Scheme;** This scheme provides adequate insurance coverage for Hospitalization expenses arising out of injuries sustained in an accident.
- **Subsidized Food and Transportation;** BPO'S provide transportation facility to all the employees from home to office at subsidized rates or even at zero cost. Lunch is also provided free of cost.
- **Company Leased Accommodation;** Some of the companies provides shared accommodation for all the out station employees,
- **Recreation, Cafeteria, ATM, gym;** The recreation facilities include pool tables, chess tables and coffee bars. BPO'S Companies also have well equipped gyms, personal trainers and showers with all facilities.
- **Personal Health Care** (Regular medical check-ups); some of the BPOs provides the facility for extensive health check-up.
- **Loans;** Many BPO companies provide loan facility on different occasions like, during the times of medical emergency, at the time of their wedding, also new recruits are provided with interest free loans to assist them in their initial settlement at the work location.
- **Choice of Rewards;** Rewards are as different as the people who receive them and it doesn't make sense to give rewards that recipients don't find rewarding. Some people are excited about sports events, others about movies. Some employees would love a dinner in a romantic restaurant; others buy a book of their favorite author. Food, fun, education, improved work

environment, gifts, travel and family-oriented activities - the options are endless.

- **Performance Incentives;** Bonuses and incentives are paid after every quarter if the employee sustains in the organization and he gets extra rewards if his performance exceeds the target assigned to him.
- **Present Recruitment Strategies Adapted To Retain Human Capital;** The Recruitment Manager keeps on innovating new techniques to hire the best of the best people and the strategies are continuously renewed as per the changing scenario. Considering the High Attrition rates the organization plans a very effective policy at the entry level (recruitment) which ultimately helps in retention.

II. REVIEW OF LITERATURE

Shivangee Singh & Pankaj Kant Dixit (2011),

Employees comprise the most vital assets of the company. In a work place where employees are not able to use their full potential and not heard and valued, they are likely to leave because of stress and frustration. They need transparent work environment to work in. In a transparent environment where employees get a sense of achievement and belongingness, where they can best utilize their potential and realize their skills. They love to be the essential part of such organization and the company is benefited with a stronger, reliable work-force harboring bright new ideas for its growth.

Anil Kumar Hagargi (2011), Retention has become key tool for success but retention has become a tough job for the sector as attrition is on the rise due to various reasons. Employer should concern the people and provide flexible shift and weekend off so that employees will feel comfortable & the next day they will be able to spend some time with their family. Retention has become a key challenge for the BPO industry. With the help of retention the company can save investment on recruitment and can turn it as cost effectiveness. As the sector is open and people has various choice to work therefore attrition is on the rise & to minimize it, the sector should plan the career path of people and provide them rewards and promotions on time and keep them satisfied so that employees should not think about alternative employer.

R. Gayathri (2012), Most of the employees leave an organization because of frustration and constant disputes with their superiors or with other team members. In some cases low salary, lack of growth prospects and motivation compel are some of the reasons behind quitting their jobs. The management must try its level best to retain those employees who are really important for the system and are known to be effective contributors. It is the responsibility of the line managers as well as the management to ensure that the employees are satisfied with their roles and responsibilities and the job is offering them a new challenge

and learning every day. In the present scenario, identification of employee retention has become a crucial element. In study it is found that most of the employees in BPO's are retained due to the following factors such as competitive compensation, Encouragement and Recognition, well equipped and safety environment, infrastructure, potential talent and the prospective roles. If organization is going to practice these factors, the employee retention will be possible.

Arvinder Kaur & Shivani Gupta (2012), Women employees constitute about one-third of the total workforce in Call Centre and BPOs in India. Though there is major economic contribution of women to the BPO industry, yet several challenges and problems faced by the women employees still remain to be addressed. The women employees are satisfied with the safety and security measures. They are quite satisfied with the infrastructure, supervision, employee-employer relationships. They are not satisfied with the salary, perks, requisites and promotion prospects. They are also not satisfied with the grievance redressal system. But the employers are continuously making efforts to provide the safe and secure work environment to women employees. The efforts are in accordance with various laws and legislations enacted in Indian for security, protection and equality at work. Still there are certain expectations which need to be looked upon and the congenial work environment and culture should be provided to women employees. The woman is a creator and now she has adopted the role of earner for the family. The society & family support is must for boosting their spirits and equal treatment at work place is equally important for them to achieve success. Employee satisfaction and retention is major challenge in these days and employers shall concentrate primarily on satisfaction of the employees.

III. RESEARCH METHODOLOGY

The researcher has used primary data & secondary data for her study which is collected from selected BPOs in Pune.

Primary Data:

Primary data for the present research study was collected through interviews of the employees & formal & informal talk with employees.

Sample Size: Researcher has taken sample size as 50 which are chosen randomly from different BPOs.

Secondary Data:

- Journals & Magazines
- Internet
- HR websites
- Research Papers
- Newsletters

OBJECTIVES OF THE STUDY

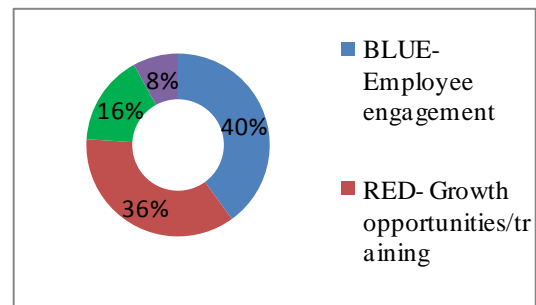
1. To know the concept of retention strategy.
2. To understand the reasons behind why do ITES professionals switch their jobs.
3. To know why retention is needed.
4. To understand the various strategies adopted by BPO sector for retaining their employees.

IV. DATA ANALYSIS

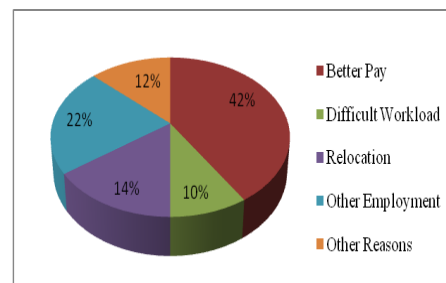
1. Demographic profile of the Respondents

Demographic Variable	Categories	Respondent
Gender	Male	17
	Female	33
Age in yrs.	Below 21	11
	21 - 30	19
	31 - 40	20
Experience	Less than 1 yr.	16
	1 - 3	24
	3 - 5	06
	Above 5 yrs.	04
Qualification	Graduation	37
	PG	13

2. Which type of retention techniques should be adopted by the organization?



3. Reasons of leaving



STRATEGIES ADOPTED BY BPOS

- Many companies like HCL, IBM and Wipro use various IQ and EQ tests to get people who can work at night and can handle the monotony. They also believe that giving career counseling and planning career paths to its employee help to control attrition.
- As per IBM policy, recruitments are done in bulk considering the high attrition rate and recruitments are done regularly. Hiring in bulk reduces the supply factor of the equilibrium and it keeps the work of the organization going.
- TCS has put in place a comprehensive academic interface programme (AIP), Paternity leave for adoption of a girl child, a choice of working in over 170 offices across 40 countries in a variety of areas.
- Wipro has adapted strategy 'Wings Within' programme where existing employees get a chance to quit their current job role and join a different firm within WIPRO.

CONCLUSION

Retention has become a key challenge for the BPO industry & it varies from one organization to another. Employee Retention strategies can be classified into two categories i.e. monetary & non-monetary strategies, like Performance Linked Incentives, Rewards, Increment in Salary, Job Rotation, Job Enrichment, Exit Interviews, Participation in Management, Public Recognition of Achievements etc. Research says that most of the employees leave an organization because of frustration and constant friction with their superiors or other team members. In this study it is found that most of the employees in BPOs are retained due to the following factors such as competitive compensation, Encouragement and Recognition, well equipped and safety environment, infrastructure, potential talent and job involvement. If organization is going to practice these factors, the employee retention will be possible.

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