



Employee Retention Strategies in BPO sector

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ABSTRACT

BPO's are the highest job provider in the IT sector employing a total of more than 8 lakh professionals. Notwithstanding the initial glamour of this sector as a harbinger of opportunities and an attractive career option, today with the vast number of players in the arena and easy availability of lucrative software jobs, the sector is smitten with the problem of attrition. Even big firms like Infosys and Wipro have an attrition rate of close to 20% in their BOP arms which is very high. As a quality workforce is crucial for business success, employers have started taking this very seriously and a lot of initiatives are being taken to curb attrition. As Kamal Karanth of Kelly Services India puts it, "The workforce is the backbone of the BPO industry and the attrition rates have becoming alarmingly high for the industry. Most of the companies are promoting within to ensure that talent remains."

A lot of research and study has been done towards identifying the major reasons why employees are leaving BPOs in hordes. As Fidelity, National Financial India Country Head Sameer Dhanarajani says IT companies and BPOs are witnessing a major talent crunch. "The macro effect is balanced by one company losing its critical staff to another and a company getting critical resources in return. But aligning them to the organization still remains a challenge," he said, adding there are hiring, training and maintenance costs associated with a new inductee, irrespective of the place in the hierarchy that the person assumes.

Attrition has terrible effects on the company. The high attrition costs considerably increase the costs to the organization. They have to deal with the amount of disruption due to unplanned exits. The more people leave an organization, the more it is a drain on company's resources like recruitment expenses, training and orientation resources and time. The high attrition rate also affects productivity. Hence, it is extremely critical to curb attrition not only for an individual company but also for the industry as a whole.

Keywords: *Employee Retention, Attrition, BPO sector,*

INTRODUCTION

BPO's are the highest job provider in the IT sector employing a total of more than 8 lakh professionals. Notwithstanding the initial glamour of this sector as a harbinger of opportunities and an attractive career option, today with the vast number of players in the arena and easy availability of lucrative software jobs, the sector is smitten with the problem



of attrition. Even big firms like Infosys and Wipro have an attrition rate of close to 20% in their BOP arms which is very high. As a quality workforce is crucial for business success, employers have started taking this very seriously and a lot of initiatives are being taken to curb attrition. As Kamal Karanth of Kelly Services India puts it, "The workforce is the backbone of the BPO industry and the attrition rates have becoming alarmingly high for the industry. Most of the companies are promoting within to ensure that talent remains."

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- Low perceived value and monotonous work
- High salary expectations and unusual working hours
- Disillusioned employees
- Stress and burnout, pressure to perform on metrics, and lack of motivation
- Lack of security and social interaction.

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. Let us now learn about various strategies which can be boost successful employee retention in BPOs.

First know the cost. This is the most basic and initial part of the retention process. A good retention plan needs all the facts. The turnover cost includes cost of selections process, hiring, induction, training, lost productivity etc.

Hire from known sources like employee referrals through trustworthy employees.

Hire the right people. Retention starts with recruitments itself. Identify the characteristics of the people you want to hire who fits in organization's culture. To retain employees, the people who are productive and are likely to stay for a longer time should be hired.

Focus on employee orientation. It is the first impression that the employee takes home with him. A proper welcome from the management will encourage the employee to stay with the organization.

Individual development: Develop career plans for employees. Initiate mentorship and higher education programs to keep learning and development moving.



Training for managers: An important factor that keeps the employee in the organization is the manager. Employees need a manager who manages them well. A manager should be a good listener and motivator. Proper training should be given to the managers.

Employee recognition: Star of the month, top performer, picture on bulletin boards, appreciation cards and certificates etc. increase employee morale and confidence. This is a great way to retain employee of a call centre.

LITERATURE REVIEW

S. MOHAN and Dr. P. R. MUTHUSWAMY (FEBRUARY 2005) “A Study on Employees Retention in BPO Sector with Special Reference to Coimbatore City”. India is considered as hub for outsourcing and we can find as many BPOs on the Indian soil as compared to any other nations. The most critical and delicate situation is to withhold the best talent in the organization. The BPO/ITES sector is always placed on top whenever we take the word the ‘attrition’. Employee retention involves taking measures to encourages employees to remain in the organization for the maximum period of time. 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.

Dr. B. Nagaraju and M. Ananda Rao (OCTOBER 5TH, 2015) “Employee Retention Strategies in BPO Industry: A Study with Reference to Selected BPO sector Organization at Hyderabad”. Employee Retention refers to the techniques employed by the management to help the employees stay with the organization for a longer period of time. Employee retention is a formidable challenge to companies in modern days of competitive business world where employees have abundant of opportunities here in domestic market as well as in the foreign market they tend to leave the organization due to many reasons. Future research can aim to find out the relationship between the demographic variables of the respondents such as age, sex, marital status, tenure, education etc. and employees intention to stay along with job related variables.

Ankita Srivastava, Yogesh Tiwari and Hradesh Kumar(2011), “Attrition and Retention of Employees BPO sector”. The broad objective of this research is to identify the root causes of attrition and retention in BPOs, analysing the level of employee motivation, satisfaction and involvement, generate a model for maximizing sustenance of employees in the organization. Attrition in BPOs has terrible effects on the organization. India has emerged as one of the bright stars in the global Business Process Outsourcing market and has maintained its global competitiveness by offering the best combination of cost, quality and scalability. The regression model for the retention of employees in a BPO explains two important factors i.e. intrinsic motivation factors and involvement factors. Retention plan strategies should be different level of employees, because their roles are different; their needs are different; what motivates them are different and what make them leave are also different.



Grossman and Helpman's(2005: 135)statement “We live in an age of outsourcing” clearly designates that outsourcing has become an acknowledgement, accepted and established business strategy. one of the most familiar forms of outsourcing is business process outsourcing BPO, i.e., transferring the operational ownership of one or more of the firm’s business process to an external supplier that, in turn, administers the processes according to some predefined metrics. BPO or Business Process Outsourcing thus refers to the rearrangements of entire business functions to some other service providers, primarily in low cost locations. The service provider may be either self-owned or a third party. This relocation or transferring of business processes to an external provider is essentially to accomplish increased shareholder value.

OBJECTIVES OF THE STUDY

- To study about Employee Retention selection in BPO sector in Gorakhpur and Lucknow region.
- To find the ways to retain employees.
- To find the Attrition in BPO sector.

RESEARCH METHODOLOGY

Research Methodology is a method to systematically decipher the research problem. It deals with the objective of a research study, the way of defining the research problem, the strategies, the stripe of hypothesis formulated, the mould of data collected, method used data collection and analysing the data etc.

RESEARCH DESIGN

A research design is a disposition of conditions for collection and analysis of data in a mode that aims to continue relevance to the research. A research design is a basis of structure which provides guidelines for the of research process. It is the map of blueprint according to which the research will be conducted. The research design used for this study is “DESCRIPTIVE DESIGN”.

DATA COLLECTION METHOD

The research is based on primary and secondary data. The weightage of secondary data is more as compared to primary data.

METHOD of SAMPLING

Convenience sampling under non-probability sampling method has been used in this survey.

RESEARCH AREA

The research is totally based on Gorakhpur city so the area for data collection is Gorakhpur.

SAMPLE SIZE

A sample size will be approx. 150 depending on the number of BPO companies established in Gorakhpur city.



FINDINGS:

Why people leave BPO Sector:

When there are so many with BPO industry, when there are so many privileges for the BPO employees then what makes them to change the company /industry? It is only the money matters or anything that matters or anything else as well? Here are some of the reasons for a BPO professional to change his/her job.

- a. No growth opportunity
- b. Lack of promotion
- c. For higher salary
- d. For higher education
- e. Misguidance by the company
- f. Policies and procedures are not conductive
- g. Physical strains
- h. Uneasy relationships with peers or managers

CONCLUSION

Based on the analysis, the study on the topic “**Employee Retention Strategies in BPO Sector**”, I found that the major problems in the BPO sector for retention is the performance management and the salary they are paid and the no growth the career of the employee. The other reasons which also effect the employee retention is the misconduct in th organization, higher salary and for the higher education. The study says that there is a big problem regarding the employee retention in the BPO sector this has to be minimized so that the organization does not face problem of retention.

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