

AN ANALYSIS OF EMPLOYEE RETENTION POLICIES IN SELECTED BPO SECTORS ORGANIZATIONS

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ABSTRACT

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 strategies go a long way in motivating the employees so that they stick to the organization for the maximum time and contribute effectively. Sincere efforts must be taken to ensure growth and learning for the employees in their current assignments and for them to enjoy their work. Employee retention has become a major concern for corporate in the current scenario. Individuals once being trained have a tendency to move to other organizations for better prospects. Lucrative salary, comfortable timings, better ambience, growth prospects are some of the factors which prompt an employee to look for a change. This paper focuses on the emerging employee retention practices of BPO sector in Hyderabad. There are thousands of employees working in Hyderabad BPO companies but the researcher has selected 250 samples from selected companies through the simple random sampling method. The researcher has found that the Hyderabad BPO companies are adapting and implementing the best employee retention techniques effectively and employees are also feeling happy being the part of the sector.

KEYWORDS---- Employee Retention Strategies, Human Resource Management, BPO Sector.

INTRODUCTION

BPO! One reads the word and myriad of well-groomed youth on calls, fast money, and phenomenal life styles seem to flash the mind in an instant. That's just the start. One reads it again, contemplates over it, gets into the unveiled afflictions, and gives it a second thought and a completely differing depiction ignites the mind. Lopsided working hours, unimaginable attrition rate, stress and burnout exhibit its ugly side. No

matter how it balances between the pros and cons, the fact remains conspicuous, loud and unchanged. BPO, Business Process Outsourcing, is the mantra of employment, the buzz of present, and the promise of future. Employee retention is a formidable challenge to the 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, since employees are an important resource in BPO sector organization than any other resources the managers must design better human resource policies to retain the key employees in the organization.

Managers and researchers attempted to solve, interpret and counter the problem of turnover for the past 40 years [21]. In the recent decades, societies and companies have recognized that efficiently managing its human resource is the most crucial factor in surviving today's competitive and fast-moving business settings, where successful retention of employees is considered an imperative element in contemporary business management practices [22]. Evidences available suggest that job-hopping is a more prevalent in the business process outsourcing (BPO) industry and hence a more critical problem compared to workers parting from the other industries [30]. The existence of the business process outsourcing industry is largely attributed by its comparative advantages such as, low costs and evidently endless supply of skilled human resources. Hence, paying higher wages to employees for achieving better retention in this sector seems self-defeating. This study focuses on the segment of the labor market that the BPO industry draws, where the average young workforce from middle-class background aging within the range of 18-25. Most of the reports today state 30-40% of average employee turnover in the industry and arguing that the margin can go up as high as up to 90%, with one of the firms claiming to have replaced 14,340 employees within a year. The increase in salary rate of 10-15% per annum and shortage of people within the sector, training and recruitment costs (which are mandatory in the business process outsourcing industry) have also raised concerns cited.

EXTRINSIC FACTORS

The first group is —hygiene factors which are associated with the extrinsic context and environment of the job, such as working conditions and pay. However, from an extrinsic perspective, factors such as physiological/work conditions, job security/safety, & quality management are considered as some of the variables which attribute to successful employee retention [24].

Good Leadership

There are numerous literatures that state that an employee's commitment to his/her firm and the essence of being part of the firm, are based upon the relationship built and interaction with the firm's management and its attitude towards the [12]. In this industry, an individual is often promoted to a supervisor (managing 10-15 workers/agents) within the span of 6 months due to the high turnover rate present in the sector and rapid

growth of in the industry [31]. This renders sufficient supervision due to the lack of experience, training and managerial expertise of the newly promoted supervisor, and hence the employees working under them are dissatisfied. HR professionals often refer this to as the ‘managerial bandwidth’ or ‘Lousy Boss Syndrome’ cited in [2]. Moreover, in contrary to the previous generation seeking bureaucratic leadership and job security from their management, the younger generation seek organizations based on a constructive management, corporate socially responsible company, mutual respect and being treated as partners, honest and participative leaders and open-minded managers.

Good Working Condition

The most fundamental pre-requisite that a company offer their employees to perform better is setting of their work environment. The working conditions, environment and work design in the BPO industry limit employees to socialize with friends and even family cited in [2] page 1980. In contrary, the younger generation of employees expects the working conditions to be physically comfortable and socially enhancing environment; boundary less and open with break out spaces; technology for dissemination of knowledge and entertainment; social media; fun atmosphere. Work place environment is the place where they, learn, collaborate and socialize Rai, 2012; ‘Boredom’ could be avoided by managers and supervisors if they wish to alter the working environment overtime. It is argued that the rate of turnover is lower in BPO firms where the working environment promotes correct and sympathetic supervision, diversity in work, decent team coordination and flexibility in the regulations and policies placed. Flexible working practices are now often the key to help firms compete in getting the best workers. A good working environment creating opportunities for learning reinforces high organizational commitment and ultimately bring stability among the employees, leading to retention [1], [4].

Work-life Balance

Multiple personality disorder’ can arise as the employees in this industry tend use a ‘pseudo name’ to speak or interact with a foreign customer. Hence, these workers are also prone to insecurity and vulnerability due to their double and imbalanced lifestyle. Hausknecht et al. [18] and Ramesh [32] acknowledged that work-life initiatives typically —involve alternative work hours and/or compressed scheduling and are often established with the goal of reducing tensions between competing work and non-work demands. Findings from a number of studies demonstrate that work-life balance is directly associated with employee retention and turnover intentions [1]. Work-life balance is increasingly important for engagement and affects retention. 2.2 INTRINSIC FACTORS The implication is that, in order to recruit and retain qualified managerial staff, it is more important for the BPO industry to motivate and satisfy their —intrinsic needs than improving the —extrinsic environment. It is noted that employee retention is not just about money, as other retention tactics such as personal outreach by leaders and managers, equity grants, promotions and lateral moves to new roles are equally as important [1], [10]. 2.2.1 Career Growth

Opportunities Surveys indicate that even though some workers at the lower level agree that this line of work creates opportunity for them to learn and grow, whereas most of the mid-level employees are concerned with ‘career stagnation’ which they claimed to have faced in the BPO sector. Therefore, it is derived that entrants in this job market is initially drawn by good salary and preliminary growth however, not in the attempt to reach the mid-level management [12] p, 81. The young workers’ primary objective is to earn good amount money for a few years, and therefore, it is assumed that they perceive this industry as a ‘transitory point’, only to later pursue high-level professional or government jobs in the future [31] page 118. Moreover, some younger employees also tend to pursue higher education. A survey of 60 call centers shown that only 1% of the total populace were promoted beyond the call center division to the upper management]. It is found that employees—who quit for what they perceive as upwardly mobile career moves and those who enjoy in-house promotions both demonstrate a greater degree of positive learning goal orientation than their colleagues who remain stationary in long-term positions with the same firm cited in [1] page 15 and Lin and Chang. However, a different view suggesting that the retention of key staff goes beyond the provision of formal, educational training and development opportunities, to providing skilled, high-potential employees with the prospect of achieving experience-based career leverage opportunities not only to swiftly develop their careers, but also to improve their individual marketability.

Responsibility

The BPO industry entails highly monotonous, and standardized nature of the work which leaves no scope for job discretion [6], [12] cited in page 80, [38]. Limited lunch and restrooms breaks, strict targets higher level of monitoring coined the BPO professionals as ‘cyber coolies’ or ‘techno coolies’ cited in [2] page 1980, [12] cited in page 80, [32]. Therefore, many of the employees tend to reject the job after few weeks of the training period, as they later perceive the profession as either inappropriate, unsettling or unfitting [21] cited in page 207. The working style of the current generation of workers have significant variations compared to the previous generations as they expect to play meaningful roles through work dynamism, independency and autonomy cited in [3] p, 97. Current literature highlights that employees prefer doing the job around the clock if they are given a responsibility cited in [3] page 97, [40].

Recognition

Employees stay where they feel appreciated. Encouragement of individual’s recognition through the implantation of appropriate organizational recognition vehicles is an imperative factor. Simple recognition of jobs well done in the quarterly newsletter, pictures on the bulletin board, dinner gift certificates, and other small rewards provide a high return on investment. In addition to the retention of the employees, they also boost productivity, engagement, profit margins, customer retention, ROE, and ROA. Recognition from bosses, team members, coworkers and customer enhance loyalty. It was found in the survey that employee

recognition is important for workers and they want to listen that their work is being followed, recognized and appreciated.

CONCLUSION

The results from the analysis signifies that the manager's ability to lead, play a crucial role in increasing the employees' motivation to stay. It is conclusive that a firm creating a physically comfortable and socially enhancing fun atmosphere, increase an employee's commitment to stay, where employees specifically highlighting their experience of being able to socialize, learn and collaborate better. In addition, the analysis validates that a company's implementation for appropriate scheduling and working hours increase employee retention. The employees also confirm that the opportunity for them to learn and grow enhancing their career is one of the most imperative elements contributing to their intent to stay with the organization. Providing employees with more responsibility and recognition empowers them and thus, to be considered as a key determinant of retention. Drawing from the intrinsic context, there seems to be a significant increase in employee motivation and intention to stay, self-esteem, job involvement and productive behavior among workers when they are valued and given opportunity to grow. From an extrinsic perspective, statistical analysis conducted also demonstrates that factors such a good leadership hinging on the level of quality management, good working conditions/environment & providing for greater work-life balance are considered as some of the variables which attribute to successful employee retention. Even though, there is no single strategy or retention plan which may satisfy each and every employee in an organization, as we have different personalities entailing different demands and expectations from the organization, the firms in this booming industry may consider these deliberated enablers as a mean to limit turnover and improve retention.

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