EMPLOYEE ATTRITION & RETENTION STRATEGY IN BPO SECTOR: AN OVERVIEW WITH CURRENT SCENARIO

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ABSTRACT

This paper gives an overview to understand and expand the knowledge on employee attrition and retention strategy in BPO sector with current scenario. The study has been conducted with a few objectives in mind which would help us to explore the current position of employees in BPO sector with respect to attrition and retention.

Keywords: Attrition, Retention Strategy, Overview, Current Scenario, BPO Sector

INTRODUCTION

BPO sector is the fastest growing sector in India. It stands for ‘Business Process Outsourcing’. In this non-core activities are handed over to third party which helps in increasing efficiency of the organization. It includes activity related to HR, payroll, finance etc.

BPO sector is affecting due to attrition. This is one of the sector in which the attrition rate is very high. Therefore need arises to study attrition and its factors which can increase retention in the organization.

CURRENT SCENARIO OF TOP BPO

1. Indian BPO Company has entered in Romanian market. For Example, Genpact has entered to Romanian market.

2. Infosys is the highest women employer at 33.4% followed by TCS and Wipro at 30% and 29%.

3. Infosys has increased childcare leaves from one year to two years.

4. For women employees, Wipro is providing crèche facility and service of relocation too.

5. Wipro is providing chance to pursue post-graduation to the employees who have worked for more than two years. It has enrolled it with ICFAI also.

CURRENT SCENARIO OF ATTRITION IN BPO SECTOR

High level Strategic Group (HLSG) has stated that there will be shortfall of employees by 2020 of 32-39 million. As per an article, Mr. Rajeev Menon, Merit Trac Innovation and Product Management Head stated that attrition rate is between 30 to 55 percent and particularly high in this sector. Mancer consulting studied that in BPO attrition rate is more than 30 percent. The hiring in software platform and automation will also slow down. According to Kotak Institutional Equities, in 2016 top four IT
companies hired 43 percent less than a year ago. As per an analyst attrition rate of some firms is around 20-40 percent and top company with around 15 percent.

In 2012, NASSCOM reported shortage of 2,62,000 professionals in outsourcing industry. Unexpected trend of attrition can be seen in past few years. Therefore the productivity of the company is decreasing and leading to increase in the cost.

As per Employee Vulnerable study by NFO India, 83% of the employees likely to switch the job as economy booms. 75% of those managers are actively searching for the change.

**WORKFORCE DIVERSITY IN BPO SECTOR**

It refers to employees with different range of experiences and characteristics. It includes employees with different race, gender, religion and culture.

As per an article, NASSCOM reported, US$150 billion Indian BPO sector has provided opportunities to women in beginning. A report founded that company can enhance its performance if more women employees are hired. The organization that is having diverse teams can reduce attrition with 22 percent.

The female employees face problems in the organization like glass ceiling, gender imbalance and work life balance etc. They are more competent in the planning and risk management area as compared to male employees. NASSCOM stated in BPO sector, women managers are still not encouraging.

Workforce diversity will definitely help the organization to reduce attrition. It will increase a flow of innovative ideas in the organization. It brings efficiency and competitive advantage in the organization.

**CAUSES OF HIGH ATTRITION RATE**

There are so many reasons which causes high attrition rate. It is very important for the organization to rule out the main important factor of attrition. A lot of cost is involved in hiring and developing the employees.

According to Haygroup, low variable pay, a robust job market and retirement benefits are the main three reasons of high attrition rate. The variable pay of the employees is very low. There is availability of job in the sector therefore employee can shift the job easily. The youngsters with age of 20 want to earn money quickly. Therefore retirement benefit is not a retention factor for the employee.

**RETENTION STRATEGY FOLLOWED BY TOP BPO COMPANY**

In order to compete in the market, retention strategy is very important for the organization. Below we have discussed the Retention strategies followed by the known BPO companies.

1. **Re-skilling employees through digital technology** – The employees have to be re-skilled in today’s era and this is possible only through the usage of digital technology.

2. **Work redesign** - The work should be redesigned as per the objectives of the organization. It will help the employee to accomplish the work easily and with less time period.

3. **Attention to skill shortage problem** - As attrition rate is high in BPO sector as compared to other sectors. Therefore it is the time when this issue should be given proper attention.

4. **Employee friendly environment** - When the environment of organization will become friendly, automatically the positive attitude can be seen in the approach of the employees towards the organization.

5. **Facilities of higher studies** - As discussed above now BPO Company are providing facilities of higher studies to their employees.
6. **Developing proper role matrix and growth path** - When the role of the employee is clear and growth path is defined then only he can work properly and can achieve the targets.

7. **Employee empowerment** - It gives decision making power to the employee which helps in accomplishing the task. It creates positivity in the employee and treat himself as a part of the organization.

8. **Proper training and development** - Proper training and development sessions should be given to the employees in order to retain them in the organization for a long time period.

9. **No communication gap** - The communication gap should be reduced that will help to reduce attrition and increase retention.

**CONCLUSION**

Attrition is a hot and burning topic. As compared to other sectors, the attrition rate is higher in BPO sector. The growth of the organization depends on attrition. When the organization is able to retain the employees then only it can prosper and achieve its target with efficiency and competitive advantage.

The companies should analyze that how the employee can be retained in the organization. The strategies have to be made and should comply with the employee needs. There should be workforce diversity in the organization that will bring innovative ideas and retention strategies like re-skilling employees, work redesign, employee empowerment and proper training and development.

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