



## Retention – A Nightmare of BPO Sector

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Acquisition of new employees and training them to organization expectations is a herculean task. But the challenge lies in retention of that employee. Management tries various strategies on the base of other organizations best practices, but most of it fails. Organization implement good employment practices to retain an employee on the basis of their potential and positions but its felt that more important than this is to design schemes on the basis of demography of the employee and thereby create work life balance which in turn would facilitate retention of the employees. Conducive environment makes employee feel at home. Organization that paves way for such relationship facilitates to enhance employee commitment towards the organization. Once, an employee's mind set is nurtured this way, it would make the retention process easier

**KEYWORDS : Presenteeism, retention, employee engagement**

Turnover occurs when an employee leaves a specific job or organization permanently and his/her services are no longer available (Vandenberg, 1999). Typically, employees become dissatisfied with their job, search for options, compare those options with current jobs, and depart if any of the alternatives are judged to be better than their current situation (Mobley, 1982). A recent meta analysis by (Lambert et al., 2002) on this issue emphatically points out that a fundamental way of decreasing employee turnover is to raise the level of job satisfaction. Recruitment, selection, hiring, placement, training, and separation are among the direct costs of employee turnover (Stohr et al., 1992).

Acquisition of new employees and training them to organization expectations is a herculean task. But the challenge lies in retention of that employee. Management tries various strategies on the base of other organizations best practices, but most of it fails. Hence, the aim should be to enhance employee engagement where by retention can be enhanced.

Loss of an skilled professional will be detrimental to the company as its really difficult to replace a person of same standards. It is not just the potential alone which is sufficient but same time presence of right attitude. Outstanding employees may leave when their morale get going low, hence the organization should be able to identify what exactly motivates the employees. As the needs and wants vary from person to person, in this competitive world we need to work on cafeteria model of rewards schemes where by retention becomes easier. It is important to pay a descent salary and benefit packages, whether an employee is with the organization or not. As it is said unless hygiene factors are maintained we cannot attract and retain an employee. Once, these needs are met then only they focus on professional growth.

Attrition or turnover is important because it costs the organization money in direct expenses to recruit and train new hires and in indirect expenses to pay overtime for remaining workers, when necessary, and in opportunity costs of lost production. Some research links company profitability to turnover measures (David a. Harrison et.al, 2006). IT service industry experts estimate the cost of turnover to be three times an employee's salary. This simple statistic alone explains why it is so important to develop strategies to retain good employees. The first strategy is to find out why people leave their company and to keep track of the various reasons for leaving.

Retention has emerged as the focus of much time and attention in recent years, particularly as part of talent management programs, and

so much is known about it. The HR practitioner who tries to integrate it into a talent program may grow puzzled by the huge volume of research about it. Organizations have been trying with different methods to retain the talented employees, but the success rate has been minimal. It was found that best practices of one organization may not always suite other as the culture and operating style differs. (Buenger, 2006; Deloitte, 2005; Gallagher et al., 2006; Law, 2003; Maria-Luisa, 2004). Some IT service providers, particularly international companies, have adopted best practice guidelines in order to retain their talent. Leaders, managers, supervisors and employees believe that making employees happier and healthier increases their effort, contributions and productivity. Though they adopt it, the environment and culture of the organization varies from region to region. Strategy that may motivate an employee in a particular region may not motivate the employee of the same organization if its located in other region. Hence, to make it effective organizations must analyze the current need as well as the desires that would motivate the employees. (Fisher, 2003) Researchers have discovered that well-designed team-building practices can improve the quality of inter-personal interactions and group cohesion. This is possible provided organizations give autonomy to the team leaders to select the team players of their choice who would jell with them in all scenarios. Hence, organization should facilitate to have an open culture which would enable the employees to discuss and participate in every activity. This would help to develop a closed netted team. Once this environment is built, retention won't be a problem (Thye and Lawler, 2002).

**Review of literature**

Organization implement good employment practices to retain an employee on the basis of their potential and positions but its felt that more important than this is to design schemes on the basis of demography of the employee and thereby create work life balance which in turn would facilitate retention of the employees. Hence, the organization should come out with the concept of cafeteria benefit schemes and flexi working options. With this strategy employees would feel committed to the organization as their needs are met. This could be done provided if the management takes the survey of the organization and identify the different variable that would facilitate the employees. Such policies would pave way for retention of the employees (Lambert, R.A., & Larcker, D.F,1989).

Satisfaction with work/family balance is a vital component of an employee's job satisfaction, and the use of policies such as on-site child

care and flextime appear to help employees, particularly mothers today face the dual demands of work and family life better. Employee's contentment with work and family paves way for job satisfaction. To facilitate this organization with women employees can be provided options like on site child care and flextime so that the dual demands of the work and family could be met in an effective manner. This would lead to emotional attachment of the employees towards the organization and there by enhance the productivity as well as reduce the attrition rate. Hence, organization should first identify the employee composition and their mindset and then decide on framing policies, which should be again reviewed time to time as per the need of the hour. (Ezra, M. et al, 1996)

Training an employee and getting him integrated to the system is an herculean task, after this certain employees leave the organization it is an irreparable loss. Hence, organization should focus on mentoring as an ideal method to retain an employee back. This would make an employee develop right attitude towards the work as well as the organization. It would lead to a scenario of presenteeism where employee would continue to be present even if they are sick. It would enhance their commitment towards the organization. (Schilling, A. et al, 2012)

Employees should get a feeling of being a part of management and this can be developed once they are involved in decision making. Just merely, creating policies for the well being of the organization would help to retain the employee for a short span. But in long term the effect would not be much. It can be enhanced provided a commitment comes from employees end. This can be made when they are also made a part of management. Where they may be consulted in every issue, their opinions if found viable can be considered. It would lead to a morale boost and enhance the productivity on one side and there by develop a feeling of emotional attachment towards the organization. This would in turn minimize the attrition rate to a larger extend. (Grant, A.M. 2007).

Herzberg according to his two factor theory mentioned that employees will get motivated provided if hygiene factors are met. But, in most cases with dignity of labour employee aspires for job satisfaction than incentives. Hence, organization should look for employee engagement than other factors. This would lead job satisfaction. Absence of this would not pave way for employees' commitment towards the organization. And this in turn would lead to absenteeism followed by attrition. Organization should design the policies keeping in mind these factors into consideration to enhance productivity as well as retaining the employees (Bassett-Jones, et.al., 2007).

Every employee loves to be recognized for his or her role performed. With the self efficacy in an individual employee desire to look forward to be considered in decision making and also getting an emotion support rather than being a pawn in the corporate with no say in any activity. Hence, organization should facilitate employees to participate as well as recognize their view. This would give moral boost to the employees the level of commitment would grow high. Ultimately facilitate in retaining the employees. (Wright and McMahan, 1992)

Organizations focus on EQ of an employee rather than EI. With high EQ we can increase the productivity but retention may not be possible. To retain organization should imbibe in the employee EI values. This would pave way for the employee to be more committed emotionally with the work and the organization. On the other hand absence of EI employee would treat organization as a mere place of work to get salary. His relationship wont cross further, In such a scenario, he would perform the role what is give to him and noting more than that. Hence, organization should focus on enhancing emotional intelligence and it should analyse during the time of selection. (Palmer, 2011)

It is said good level of engagement leads to high retention but does not last long in ITES sector. It is felt that there is a need for regious employees. Hence the focus should be made on recruitment activity where we are able to analyse and select the real committed employees who are having other than potential the aggressiveness in his mind to work in such an environment. This would help in enhancing employee retention rate. (Jyotsna Bhatnagar, 2007)

Organizations should focus on to identify a need for employers to give greater attention to diversity and work-life balance issues. This would help in reworking the HR policies which in turn would facilitate employee's commitment towards the organization. This in turn would

pave way for enhancing the retention rate. If employees if comfortable with the new system, they would not think of moving out of the job. Hence, organization should first try to feel the pulse of the employee and the environment and make the decision of framing or modifying the policy because the ultimate beneficiary is the employee. Absence of this would be like a ritual carried out with no specific target or goals. (Cordelia H.S Hee and Florence Yean Yng Ling .,(2011).

### Methodology:

The idea behind this paper is to see the effect of demographic and profiling variables together effect on employee retention in BPOs which are facing a major problem to retain their employees. For the purpose of the study a questionnaire was developed to study the employee engagement towards the organization and also know how far an employee is satisfied with the present in the organizational culture and work environment. Data was collected from 315 employees by convenience sampling method, the employees were from BPOS in Chennai, Bangalore, Hyderabad and Pondicherry. The employees were assembled at one place in their respective organization and were brief about the study before the questionnaire was circulated and were asked to respond to the questions. For studying the data General Linear Mode Univariate analysis was applies to study the combined effect of the variables and interaction effects, if any, on Employees' engagement in the organization. Univariate technique was used because the objective was to see the effect of all the individual variables in total and by controlling the effect of others because in reality all the variables work together on an individual.

**Table 1**  
GLM Univariate results of Demographic variables

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1521.100a	21	72.433	1.612	.046
Intercept	576700.693	1	576700.693	1.284 E4	.000
Age	139.277	2	69.639	1.550	.214
Sex	17.657	1	17.657	.393	.531
Marital	219.247	1	219.247	4.880	.028
Salary	100.755	2	50.378	1.121	.327
Experience	461.307	2	230.653	5.134	.006
Education	326.192	1	326.192	7.261	.007
Error	13163.420	293	44.926		
Total	1417219.000	315			
Corrected Total	14684.521	314			
a. R Squared = .104 (Adjusted R Squared = .039)					

From the above table it can be said that Age, Gender and salary has no role to play to retain an employee in the organization. This finding is interesting because there is belief that if the employees are paid well then they can be retained but it is not so. It is Marital status, Experience and Education that has a significant effect on employee retention in an organization. It is education that plays a major role followed by experience and then marital status. From mean scores (Annexure it cannot be said that there is linearity in the difference but looking at experience above 10 years category are more engaged and retaining them is easier than the other two categories. When looked at education it is the Undergraduate group that that is engaged and retaining them is easier than the other group. In case of marital status it is married group than can be retained easily than the unmarried group. From this it can be concluded that it is the insecurity and commitment in life that makes a person stick to an organization, in case of experience more experience people who are likely to be aged do not want to leave the current organization and move to a new place readjust and start things all over again, in the sense do not want to move out of the comfort zone. In case of less educated respondents they may feel that they may not get another job easily so they do not want to move out of the organization and run a risk of unemployment because of limited options in the market. The last category is married people who have more commitments in life, wife and kids and dependent ones so they may not want to run the risk of moving out of the current organization, relocate and start over again.

### Discussion:

Individuals set goals and desires the way organizations sets and desires. Hence, the HR recruiters should be able to analyse whether the candidate would fit into the system. Recruitment is the process of attracting

the candidate and selection is the process of screening the candidates. It becomes the role of HR to make the values system, culture and policies of the company clear to the candidate. This facilitates the candidate to make the right decision. Many a times today due to shortage of desired candidates and due to high pressure from the top to fill up the position, they tell the basic and don't disclose series of things. By this when the candidate joins the organization he feels demoralized when the reality is encountered. Hence, HR should take the initiative to make everything transparent so that only those employees who meet the requirements of the organization would join. This would facilitate in increasing the retention rate to a greater extent.

Organizations can grow provided it is willing to adapt to the new environment. For this it has to have a learning organization culture. If the organization has this culture then employees will be encouraged to learn new concepts on a regular basis. This paves way for enhancing their potentials as well as leads to morale high. It would make them more attached to the organization and there by enhance the retention rate.

Employee learns once they are exposed to new system and similar organizations environment. Though most of the organization does conduct inhouse training programs its impact would not be much as compared to attending management development program conducted by professional institutions. Here, employees get a chance to view how their counterparts come out with strategies and how they view the strategies designed by them. This facilitates to give exposure and knowledge sharing. With this employee would get creative ideas. They get a confidence in the management and again pave way for enhancing retention rate.

Conducive environment makes employee feel at home. Organization that paves way for such relationship facilitates to enhance employee commitment towards the organization. Once, an employee's mind set is nurtured this way, it would make the retention process easier. Though, the system is designed in such a way to facilitate all these, but due to high competition and work pressure, many a times supervisors compromise these principles. This happens when we expand organization without keeping in mind proper span of control, where by monitoring become difficult and identifying right potentials again becomes difficult. Such situation leads to putting supervisors in mental trauma and they fail to give support to the peers or subordinates. They move to telling style of leadership rather than delegating or participating. This leads to creating a gap between employee and supervisor. With this slowly it leads to non commitment and employee gets detached from the organization. Hence, management should keep in mind when enlarge the structure where by supervisors are able to monitor and ana-

lyze the potential of their subordinate and at the same time recognize their efficiency. Once this strategy is followed employee will feel more committed towards to organization and would continue to perform.

Participative decision making or adopting consultative approach gives employees a feeling that they are recognized. This develops a feeling of commitment towards the organization which in turn paves way for enhancing retention rate. Employees get dejected when they feel they are being ignored. When this feeling develops in the mindset of the employee, it becomes difficult to retain him. Organization should empower and delegate the responsibility as much as to make an employee feel that yes they are involved in the operating process.

Operating style of the organization depends on the culture of the organization. Many a times organizations continue to function in tradition ways. They would operate in rigid manner with no much transparency. When such is the system, it paves way for bias during the time of performance appraisal and other decision making process. This we can overcome provided the management is adaptable to the environment and willing to change according to the environmental changes. Though in certain cases management transform their practices and approaches, but the mindset of the employees continue to be the same as they are conditioned to the classical styles. Hence, in such a case management should take effort to get change management consultants and transform the employees' approaches and attitudes.

Transparency in the system paves way for equal treatment. In such a case employee will be able to foresee his growth and work accordingly. Absence of transparency paves way for biased approach and ultimately makes the employee demoralized. This in turn would make retention difficult. Hence, organization should be as transparent as possible.

### Conclusion:

Conducive environment motivates an employee to stay back with the organization. It's the most vital thing the management should facilitate. To facilitate this there needs to be an open culture where there is transparency among the employees in all aspects. Employees should be involved in decision making process as well as while their opinion should be considered even during implementation process. With these employee gets a feeling that he is recognized and it ultimately makes the employee be with the organization. Another factor that which facilitates is friendly supervision and career growth. Retention of an employee mostly depends on the environment and it can be made provided the management facilitates such an environment. Once, such environment exist employees feel motivated

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