Employee Perspective: A Key to Retention in it Industry
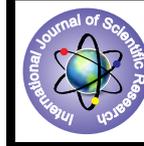
Management

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ABSTRACT

The IT industry in India has come a long way since its inception, in later decades of the twentieth century. It has become a force to reckon with and contribute significantly to India's GDP, foreign exchange inflows and employment. However, its achievement still fall a few steps short of its potential and many issues plague its growth. Sustainable Human Resource talent pool is a major challenge for IT industry and it is a matter of growing concern for academic research as well. Staff attrition and absenteeism represents significant costs to most of the organization. It is unfortunate that many organizations neither measure such costs nor have targets to plan and reduce them. The organization must realize that human capital represents a huge operating cost that must be managed efficiently. It should understand the value that is lost when a key employee leaves. An effective employee is very important for cultural alignment, better performance and progress. To enhance employee morale and reduce attrition, employee engagement is necessary.

Introduction

Indian economy has created a market favourable for strategic economic reforms target to laying a strong foundation. Part of this initiative included the process of promoting India as a major destination for the IT sector. IT refers to information technology. BPO is the arm of IT, which facilitates delivery of services through uses of Information Technology. India based service provider can deliver services in diverse area such as finance, HR, administration, healthcare, telecommunication& manufacturing.

NASSCOM have recently launched their Study on the Indian BPO sector, which evaluates the country's current standing in this sector and it's Roadmap until 2012. A five-fold growth in the Indian BPO market will add nearly 2.5 percent directly to India's GDP from exports earnings and provide direct employment to about 2 million people.

Highlights

According to the Study, the Indian BPO sector has been growing at more than 40 percent over the past three years. BPO is the fastest growing segment of the overall offshore market. While labour arbitrage has been a key driver for this growth, other factors such as access to talent, service quality, productivity, and time-to-market have gained importance. Source: NASSCOM-Everest India BPO Study (2008)

Factors of Indian IT-BPO

The most driving fact for global companies to outsource IT-enabled services to India is the advantage of cost efficiency. The other factors are:
* Flourishing IT education market.
* Telecom &IT infrastructure at par with global standards.
* Amicable demographic environment.
* Encouraging business environment, simple rules and procedures.
* Proactive policies and incentives by the Government.
* Large English speaking workforce.
* Better productivity, 24x7 services.

Continued focus on quality.
World class information security environment

Indian BPO sector is witnessing boom but the flip side of the industry cannot be ignored. For sometime the Indian BPO industry has been battling certain complex problems such as poor infrastructure and lack of data protection It is not easy task for an HR manager in this sector to bridge the ever increasing demand and supply gap of professionals. Unlike his software industry counterpart, the BPO HR manager is not only required to fulfill this responsibility, but also find the right kind of people who can keep pace with the unique work patterns in this industry. The toughest concern for an HR manager is however the high attrition rate i.e. 18%.

Employee Engagement: Conceptual Framework

Engagement of employee are committed to, support the company's values, feel pride in working for their employer, and ultimately motivated to go the extra mile. Employee engagement is the means or strategy, by which an organization seeks to build a partnership between the organization and its employees, such that:
* Employees fully understands and is committed to achieve the organization's objectives, and
* The organization respects the personal aspiration and ambitions of its employees

Engagement at work was conceptualized by Kahn, (1990) as the 'harnessing factor of organizational members' selves to their work roles. In engagement, people employ and express themselves physically, cognitively, and emotionally during role performances.

Impact of Employee Engagement on Business

There are countless examples in its literature of such results of increased corporate profitability due to increased EE, and is helping a great many companies worldwide to improve their performance through improvement in EE. ISR has examined and found convincing evidence that organizations can only reach their full potential by emotionally engaging employees and customers (ISR, 2005).

Effect of Culture, Climate and Structure

The culture and climate of organizations are expected to influence EE. Climate includes aspects such as systems and satisfaction with the organization; it includes aspects such as community (Schein, 1970, 1987). The empirical research on organizational commitment has not sufficiently focused on the outsourcing work environment (Marquardt, 2000).

Categories of Employee Engagement

According to the Gallup, the Consulting organization, there are three different types of people:-

Engaged--"Engaged" employees are builders. They want to know the desired expectations for their role so they can meet and exceed them. They work with passion and they drive innovation and move their organization forward

Not Engaged---Not-engaged employees tend to concentrate on tasks rather than the goals and outcomes they are expected to accomplish. They often feel this way because they don't have productive relationships with their managers or with their coworkers.

Actively Disengaged--The "actively disengaged" employees are the "cave dwellers." They're "Consistently against Virtually Everything." They're not just unhappy at work; they're busy acting out their unhappiness .They sow seeds of negativity at every opportunity. Every day, actively disengaged workers undermine what their engaged coworkers accomplish. Actively disengaged workers can cause great damage to an organization's functioning.

Methodology
Personally visited various HR functionaries of IT Organisations and feedback were administered for analysis and findings. HR departments cooperated to give maximum correct information for this research

Analysis and Discussion
An exploratory factor analysis was carried out to identify the important factors affecting the employees in an organization. Following factors has been observed commonly:

◆ Factor 1. Fair Treatment
Research analysis suggests that employee engagement level would be high if the superiors provide equal opportunities for growth and advancement to all the employees.

◆ Factor 2. Work Environment
Research suggests that an environment that encourages employees to drive towards innovation or to create better system for more productive results boost employee engagement.

◆ Factor 3. Flexible Approach
The study suggests that to engage employees the leaders should align them consistently by communicating company's goal.

◆ Factor 4. Job Satisfaction
Satisfied employee can become an engaged employee. Therefore it is essential for an organization to see that the job provided to the employee should be challenging enough.

◆ Factor 5. Growth and Support
When the organization provides benefits for the personal growth and family, employee develops an emotional attachment with the organization which leads to engagement.

◆ Factor 6. Career Development
The research data suggests that organization with high level of engagement provide employees with opportunity to develop their abilities, learn new skills, acquire new knowledge and realize their potential.

◆ Factor 7. Values and Openness
It has been observed that when the senior manager communicates the organization core values and maintain high ethical standards it influences employee engagement.

Conclusion
The primary behaviours of engaged employees are speaking positively about the organization to coworkers, potential employees and customers, having a strong desire to be a member of the organization, and exerting extra effort to contribute to the organization's success. Listening to employee ideas, acting on employee contributions and actively involving employees in decision making are essential to employee engagement. Nothing is more discouraging to employees than to be asked for their feedback and see no movement toward resolution of their issues. Feeling valued will boost morale, motivate and encourage future input. Employee engagement should be a continuous process of measuring, analyzing, defining and implementing

List of Statements

S. No.	Statement
S1	I know what is expected of my job.
S2	I have the training and skills; I need to do an excellent job.
S3	I have the material and equipment; I need to do my job well.
S4	My job is challenging enough.
S5	I feel that my work is important to the success of this company.
S6	My work gives me the feeling of personal accomplishment.
S7	My co-workers and I openly talk about what needs to be done.
S8	My co- workers acknowledge and accept the new ideas suggested by me.
S9	There is no gender discrimination among the workforce.
S10	I enjoy working with the people in my workgroup.
S11	I clearly understand what my manager expects of me.
S12	My manager actively listens to me and is open to my suggestions and concerns.
S13	My manager values me as much he or she values are customers.
S14	My manager is fair and objective in assessment of performance.
S15	I understand my company's long term goals and priorities.
S16	This company cares about the employee and treat them fairly.
S17	My company gives support for higher education
S18	The company provides equal opportunities
S19	Good performance is rewarded and recognised by the company.
S20	The company provides competitive pay and perks.
S21	My company provides transport facility.
S22	My company undertakes special drives to recruit female employees.
S23	The company is open to flexitime approach.
S24	This company provides creche facility.
S25	My company provides facilities to work from home.
S26	My company provides medical and recreational facility.
S27	I would recommend my company as one of the best place to work.

Factors No	Name of Factor	Statements
F1	Fair Treatment	S16
		S18
		S19
		S20
		S21
F2	Work Environment	S7
		S8
		S9
		S10
		S11
F3	Flexible Approach	S15
		S22
		S23
		S24
		S25
F4	Job Satisfaction	S4
		S5
		S6
F5	Growth& Support	S17
		S26
		S27
F6	Career Development	S1
		S2
		S3
F7	Values &Openness	S12
		S13
		S14

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