

Name of the Research Scholar: Ms. Ritu Gandhi (Ritu Arora)

Name of the Supervisor: Dr. Ravinder Kumar

Talent Retention in (BPO) Business Process Outsourcing Industry: Critical Factors and Strategic Remedies

The Indian BPO- Information Technology (IT) industry, though relatively young, has made India proud with its spectacular performance in recent times. However, in the midst of enormous competitive volatility, the human side of the business is increasingly becoming critical for success. Customers are becoming more demanding; companies becoming more global, product life cycles are shortening, and competition is becoming tougher. That is, almost every major trend that exists strongly supports the argument that the people are the key to success. Nonetheless, despite the tremendous growth potential of the sector, attrition rate and manpower crisis are hampering the growth of this sector and having a negative impact on the BPO industry. According to NASSCOM, the attrition rate for the non voice-based BPOs is around 55-60 percent and for voice based BPOs (Call Centres), it is 15-20% (*8-10% is ideal*) Top most SWITCH companies have attrition as high as 18.9%, and their contribution to service sector, especially ITeS to GDP (>50%), therefore it is all the more important that the problem of attrition is tackled suitably.

The results of the study brought in the twenty factors which affect employee retention out of which the ten important factors are: *organisational culture, work life imbalance, rewards and recognition, policies of the organisation, non-competitive compensation and flexible benefits, lack of knowledge and information sharing, improper training facilities, lack of career advancement and growth opportunities, unsupportive leaders, no regular feedbacks about job performance and overall effectiveness*. In fact when all the reasons for employee attrition are categorised in terms of (1) the employer's impact on the decision to stay or go (Push Factors) and (2) the employee's own level of control over the decision (Pull Factors), more than 50% of the reasons for attrition are within the control of the both.

Although compensation is commonly thought to be the single most important factor in case of a job change but results indicate otherwise that "*Organisation Culture*" is the real reason why employees leave. Conducive and supportive organisation culture controls the majority of the reasons people leave.

An environment of the workplace should be where employees feel more passionate about their work and exhibit the behaviour that organisations need to drive better results.

It is also witnessed that to retain employees companies have their own innovative methods. Most of them have come up with recreational facilities, they also provide monetary and non-monetary benefits organise trips for families, in-house competitions and team lunches/ dinners. To maintain work life balance, companies are giving them facilities to operate from home, flexi timings and part time work. Some companies also give attendance awards and display the performance results on the notice boards, give cash rewards and recommend star employees for promotion to reward and maintain their loyalty.

By going through responsible factors and areas, BPO employers/HR department can take remedial steps individually, collectively through collective approach among themselves, through industry associations and/or through State intervention. Researcher has suggested **two diagnostic tools** that can help:

1. **Comparative Employer Brand Studies:** Unless an organisation knows exactly what its competitive strengths are in retaining talent, they will find it difficult to act positively on the drivers of talent retention in the future. So, the organisations need to study the other employers, proving as talent magnets. The advantage is- it gives company indications of its relative strengths and weaknesses which can be adapted to make their recruitment policies foolproof. Constant tracking of actual delivered employer brand versus expectations could stop the problem of high attrition at initial and early stage before the talent drain manifests through widespread exit.
2. **Employee Recruit Gap Analysis:** BPO-ITeS companies can conduct parallel surveys of potential recruits and recent hires to explore how well the organisation is living up to its employer brand promise. Conducting gap analysis on the results allows businesses to see where they are creating likely exit-triggers at an early stage.

This study of low employee retention in BPO industry helped to find out the gap as to what type of factors have been given due importance in formulation of retention strategies and what are the factors which are normally considered important by the employees. This may help the BPO companies, struggling with the problem of low retention, formulate effective retention strategies.