

A STUDY ON EMPLOYEE RETENTION IN ACCRETE INFORMATICS PVT. LTD- BPO

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ABSTRACT

Over the past decades retaining employees has become a major issue for BPO Sector. Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time. Employee retention is beneficial for the organization as well as the employee. Employees today are different. They are not the ones who don't have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. It is the responsibility of the employer to retain their best employees. If they don't, they would be left with no good employees. A good employer should know how to attract and retain its employees.

This report on Employee Retention in a BPO Sector provides information regarding the factors affecting employee retention in a BPO sector & to suggest measures to be taken to attract & retain the employee in future. For this purpose a structured questionnaire with Likert Scale is distributed to the employees. Statistical Analysis was used to analyse the data, which was obtained by means of a structured questionnaire. The study revealed that employees are not satisfied with the job and the compensation that they are given. Also the working conditions & relationship between employer-employee is also not so good. So, company should frame policies such that they are employee friendly and help the organization to reach its goals and objectives.

Key Words : *BPO , Compensation, Employee Retention, Job Satisfaction, Organization Culture
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I. INTRODUCTION

Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their jobs. How to retain valuable employees is one of the biggest problem that plague companies in the competitive marketplace. Not too long ago, companies accepted the “revolving door policy” as part of doing business and were quick to fill a vacant job with another eager candidate. Nowadays, businesses often find that they spend considerable time, effort, and money to train an employee only to have them develop into a valuable commodity and leave the company for greener pastures. In order to create a successful company, employers should consider as many options as possible when it comes to retaining employees, while at the same time securing their trust and loyalty so they have less of a desire to leave in the future.

Employee retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. Corporate is facing a lot of problem in employee retention these days. Hiring knowledgeable people for the job is essential for an employer. But retention is even more important than hiring. There is no dearth of opportunities for talented person. There are many organizations which are looking for such employees. If a person is not satisfied by the job he's doing, he may switch over to some other more suitable job. In today's environment it becomes very important for organizations to retain their employees.

The goal of employers is usually to decrease **employee turnover**, thereby decreasing training costs, recruitment costs and loss of **talent and organisational knowledge**. By implementing lessons learned from key organizational behaviour concepts employers can improve retention rates and decrease the associated costs of high turnover. However, this isn't always the case. Employers can seek "positive turnover" whereby they aim to maintain only those employees who they consider to be high performers.

Retention of Key employees is critical to the long term health and success of any organization. It is a known fact that retaining your best employees ensures customer satisfaction, increased product sales, satisfied colleagues and reporting staff, effective succession planning and deeply imbedded organizational knowledge and learning. Employee retention matters as organizational issues such as training time and investment; lost knowledge; insecure employees and a costly candidate search are involved. Hence failing to retain a key employee is a costly proposition for an organization. Various estimates suggest that losing a middle manager in most organizations costs up to five times of his salary.

II. REVIEW OF LITERATURE

Employee turnover is a much studied phenomenon. There is a vast literature on the causes of voluntary employee turnover dating back to the 1950s.

In the early [1]1979 **Mobley et al** conducted a study on employee turnover and revealed that age, tenure, overall satisfaction, job content, intentions to remain on the job, and commitment were all negatively related to turnover (i.e. the higher the variable, the lower the turnover).

In 1986, According to the study of [2]**Daniel.G Spencer** on employee voice and employee retention which was conducted in hospital concern throws lights upon the factors how important it is for any employee to raise his/her voice or suggestion within the organization. The study also states that if the organization listens to the employee and takes their value suggestion. To a great extent it will be easy for the organization to retain the employee. The study also highlights the importance of working atmosphere in retaining the employee strength. It states that overall satisfaction plays a very crucial role in employee retention. Tenure is also negatively related to turnover.

In 1995 **Hom and Griffeth** conducted a meta analysis of some 800 turnover and which was recently updated in 2000. Their analysis confirmed some well-established findings on the causes of turnover. These include: job satisfaction, organisational commitment, comparison of alternatives and intention to quit. These variables are examined in more detail below, as are a number of other factors where the evidence on the link to turnover is less conclusive.

In 1999 the study by [3] **Kirschenbaum & Mano-Negrin** indicated that turnover is affected by organisational size, with size being the key mediator of an organisation's internal labour market. They suggest that organisational size impacts on turnover primarily through wage rates but also through career progression paths. Developed internal organisational labour markets produce lower departure rates since promotion opportunities have a strong negative influence on departures for career-related reasons

In 2003, **Borax et al** in New Zealand had a study about employee turnover and confirmed the view that motivation for job change is multidimensional and that no one factor will explain it.

In 2006 **Madok. Anneta** conducted a survey on 57 CEO'S and HR professionals and identified Talent retention as the second most critical challenges to meet the business demands beyond tomorrow, then comes the issues of "Creating high performance culture".

In 2008 [4] **Chakraborty. Samik** had a study about attrition of employees in IT sector and the article reveals the present scenario situation of employee attrition rate, and what are few factors which are responsible for this threat. In olden days the employees were well satisfied with the salary package they used to get, but now it's only one factor to retain the employee with the organization. This article also reveals that the organization should be very careful in handling with various issues regarding the employee because it is very sensitive. The article also talks about the various elements like rewards and recognition, grievance redressal mechanism, career progress, ego troubles which should be taken care.

[5] **Sengupta, S., & Gupta, A. (2012)** says the Business Process Outsourcing (BPO) industry in India is progressing with an unparalleled velocity. There are many factors that lead to attrition in BPOs and much research has taken place in this field. They made a comprehensive attempt to explore the dimension of attrition by identifying the factors that lead to assessing the contribution towards attrition.

According to a survey done by the **All India Management Association (AIMA)**, 90% of Indian companies have talent retention problem and it mostly include the IT sector. The last decade has seen problems in sourcing the right talent, rising attrition rates, decreasing retention rates and poaching of employees by competitors. To deal with the problem companies resorted to extensive organizational change programmes and intervention from outside consultants. These large scale programmes without proper diagnose of the prevailing problems lead to more troubles rather than any further changes for the organizations. It is rightly said that "mangers at every level are accountable for attracting and retaining manpower to keep the wheels of business running". "Talent retention is identified as the second most H.R challenge to critically meet the business demands beyond tomorrow. Organization can use a combination of four strategies pay, benefit, learning and development, work environment to create and retain a pool of talented employees for the organization. Success companies assign the same importance to employer branding as they give to product branding which help them in becoming an employer of choice. They are continuously innovating and inventing new ways to keep talented employees stick to the organization, which is changing the face of talent management in India.

III. OBJECTIVES OF THE STUDY

To study the retention policies of the organization

To study the factors influencing the turnover rate of the organization

To suggest measures to minimize the turnover rate by making changes in retention policies

IV. HYPOTHESIS OF THE STUDY

Ho (a): There is no significant relation between the job satisfaction & employee retention

Ho(b): There is no significant relation between compensation & employee retention

H0 (c): There is no significant relation between organization culture & employee retention

V. RESEARCH METHODOLOGY

Quantitative data was collected using the non probability self administered questionnaire that consist of questions with 5 points Likert scales distributed to our samples of individuals. In analyzing the data collected, Ms-Excel is the technique has been employed. This section also introduced the sampling techniques used in order to collect information from target population using questionnaire in scale rating manner to be implemente

VI. FINDINGS OF THE STUDY

- Most of the employees strongly agree that there is a significant relationship between Employee retention and job satisfaction.

Issues related to Job Satisfaction					
Issues	Strongly	Disagree	Neither	Agree	Strongly
Job is satisfactory	5	8	9	13	5
Working hours are flexible	5	1	14	8	12
All the employees are treated	5	4	6	5	20
Colleagues at workplace are	5	5	12	5	13
Information is provided to do the	11	3	7	14	5

- Most of the employees strongly agree that there is a significant relationship between Employee retention and Compensation.

Issues related to Compensation					
Issues	Strongly	Disagree	Neither	Agree	Strongly
I am satisfied with the pay I	6	4	5	9	16
Fair compensation compared to	6	8	4	16	6
Improvement in pay increases	9	2	14	6	9
Performance reviews are	10	1	9	9	11
Rewarded for good performance	7	7	4	11	11

- Most of the employees strongly agree that there is a significant relationship between Employee retention and organizational culture

Issues related to Organizational culture					
Issues	Strongly	Disagree	Neither	Agree	Strongly
Efficient team functioning	13	0	5	11	11
Superior & employee	9	1	4	13	13
Working conditions are	2	5	5	15	13
Good atmospherics (lighting)	6	5	3	14	12

Information & equipment are	5	1	15	8	11
Adequate material, equipment,	6	2	10	14	8

- Reason to employee stay within the company

S.No	Issues	Percentage of respondents
1.	Job is necessary	35%
2.	Good work environment	18%
3.	Colleagues	15%
4.	A good boss	33%
	Total	100%

Issues related to employees to stay

Colleagues 15%
A good boss... 33%
 Good work... 18%
Job is necessary... 35%

- Reason for employee to leave the company

S.No	Issues	Percentage of respondents
1.	Career growth	23%
2.	Further studies	20%
3.	Self employment	25%
4.	Salary	33%
	Total	100%

Issues related to employees to leave

Self employment... 25%
Salary 32%
 Career growth 23%
Further studies 20%

VII. SUGGESTIONS

- Employees should be treated equally
- Information related to the job should be given to the employees from time to time
- Training should be provide on regular basis
- Reward mechanism has to be introduced for good performance
- Performance reviews should be conducted periodically
- Good atmospherics have to be provided to do the job well.

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