
Attrition: A Critical Issue in BPO Industry

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INTRODUCTION

Attrition is reduction or decrease in numbers, size, or strength. Attrition in the BPO industry is one of the biggest issues which the growing ITES industry in India is facing. The effects of attrition are wide varying and impacts the firms in terms of losses (due to training and administration cost, high recruitment cost), incompetent processes, inability to offer services for highly technical process. Attrition usually occurs on two fronts - people leaving the industry and people shifting jobs inside the industry. Both of them have separate causes which have been identified in this paper. Technically defining the term attrition

DEFINITION 1

Unpredictable and uncontrollable, but normal, reduction of work force due to resignations, retirement, sickness, or death.

DEFINITION 2

Loss of material or resource due to obsolescence or spoilage.

DEFINITION 3

A reduction in the number of employees through retirement, resignation or death

What is the biggest challenge for the BPO industry in India today? Well, it is a no brainer: Attrition!

The business process outsourcing (BPO) industry in the country which is expected to employ more than one million people by 2012 is facing the challenge of finding quality human resources given the current attrition rate of more than 50 percent

BPO industry in India is one of the fastest growing industries in the country. It creates a large chunk of jobs in the country. However, as with the growth come the deterrents. One of the most critical problems faced by this industry is that of attrition. Attrition arises with employees leave the company for one of the three reasons:

- i) Death of employee,
- ii) Retirement, or
- iii) Better opportunity in some other company.

Attrition causes huge loss to the company, not only in terms of manpower but also in monetary terms. This paper will cover the reasons why the employees leave. Lastly, this paper will explain what can be done to control the attrition and the road ahead for the BPO industry.

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RESEARCH METHODOLOGY

Objective of the study:-

- i) To study the reasons for quitting jobs
- ii) To suggest measures to curb the menace of attrition.

RESEARCH METHOD

The main research technique adopted for this endeavour is “Telephonic interview Method” wherein detailed Questionnaire have been prepared for carrying out a detail survey of employees of a BPO.

Scope of the Study

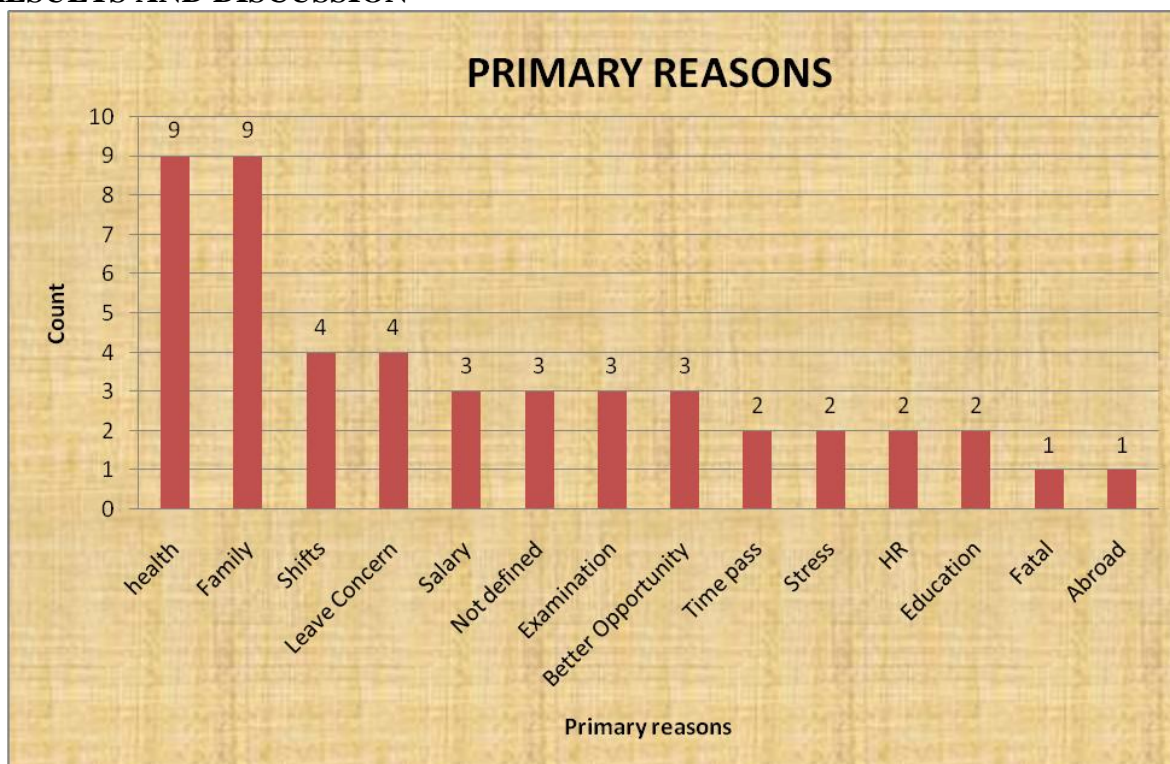
Sample Size:

100% sample of the agents who left their job in the month of January was taken out of a total population of 75 data of 48 agents was collected.

Steps:-

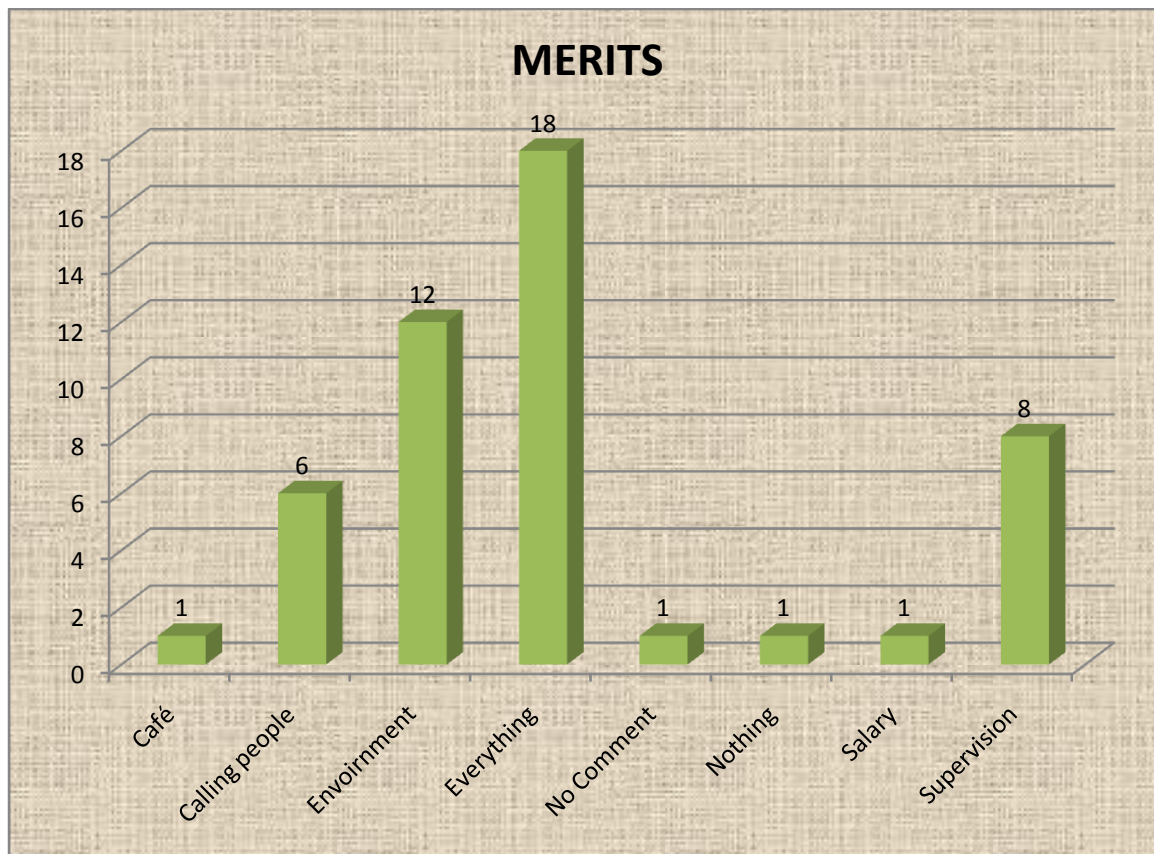
- A pilot survey was conducted before finalizing the questionnaire.
- List of the agents who left the job was taken from the concern department and there telephone numbers were collected from their concern T.L.
- Data collection was also done with the help of telephonic interview of the agents who left the job.
- The responses of the agents were noted down on the response sheet.
- After completion of the survey data was compiled and was structured.
- After this the data was analyzed and conclusion was drawn.

RESULTS AND DISCUSSION



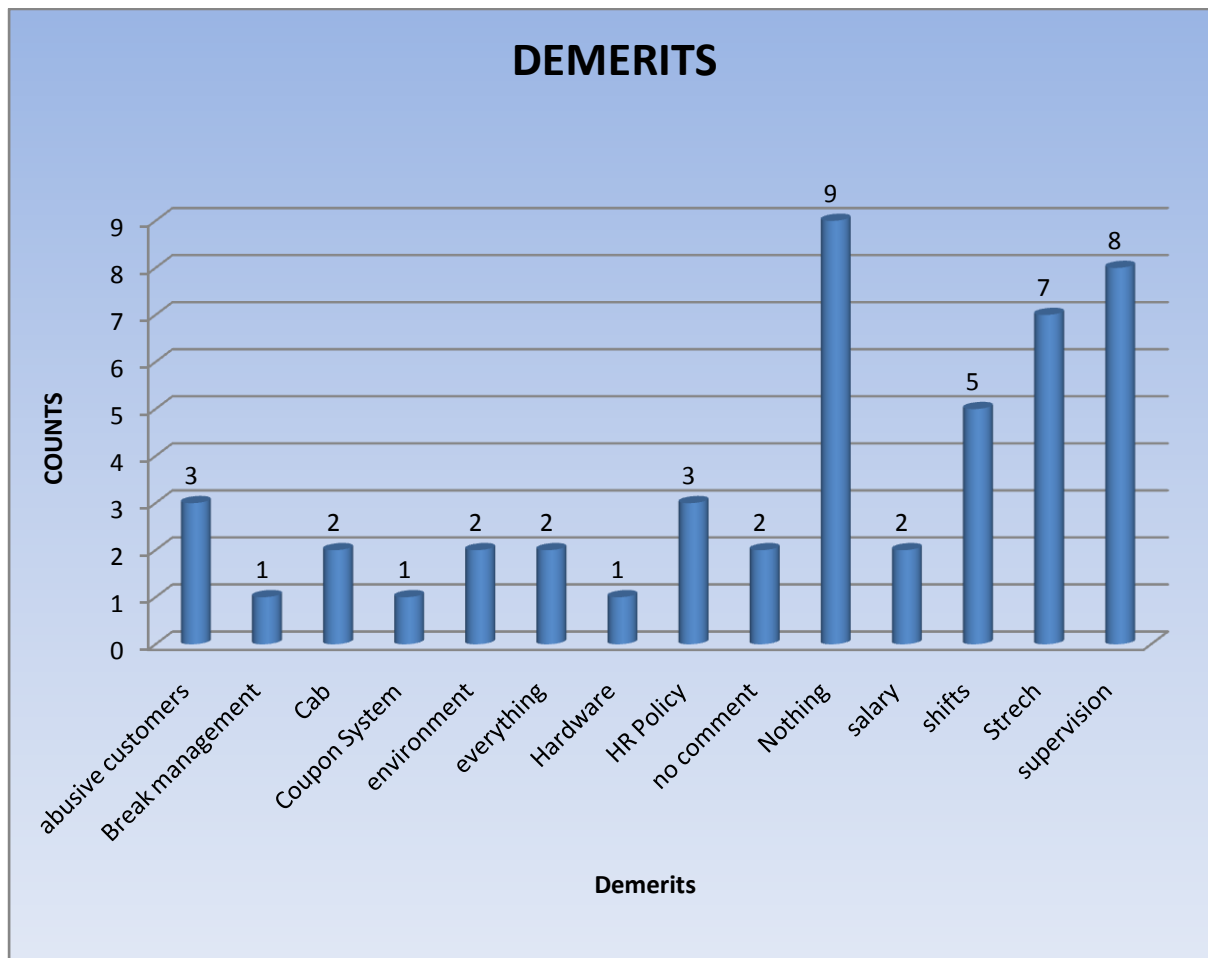
Primary Reason	Total
Health	9
Family	9
Shifts	4
Leave Concern	4
Salary	3
Not defined	3
Examination	3
Better Opportunity	3
Time pass	2
Stress	2
HR	2
Education	2
Fatal	1
Abroad	1
Grand Total	48

In response to the 1 question relating to the primary reason for leaving the job the above data was collected. The primary reason for attrition was found to be health and family concerns. The same was analyzed further through a series of questions which followed in the questionnaire.



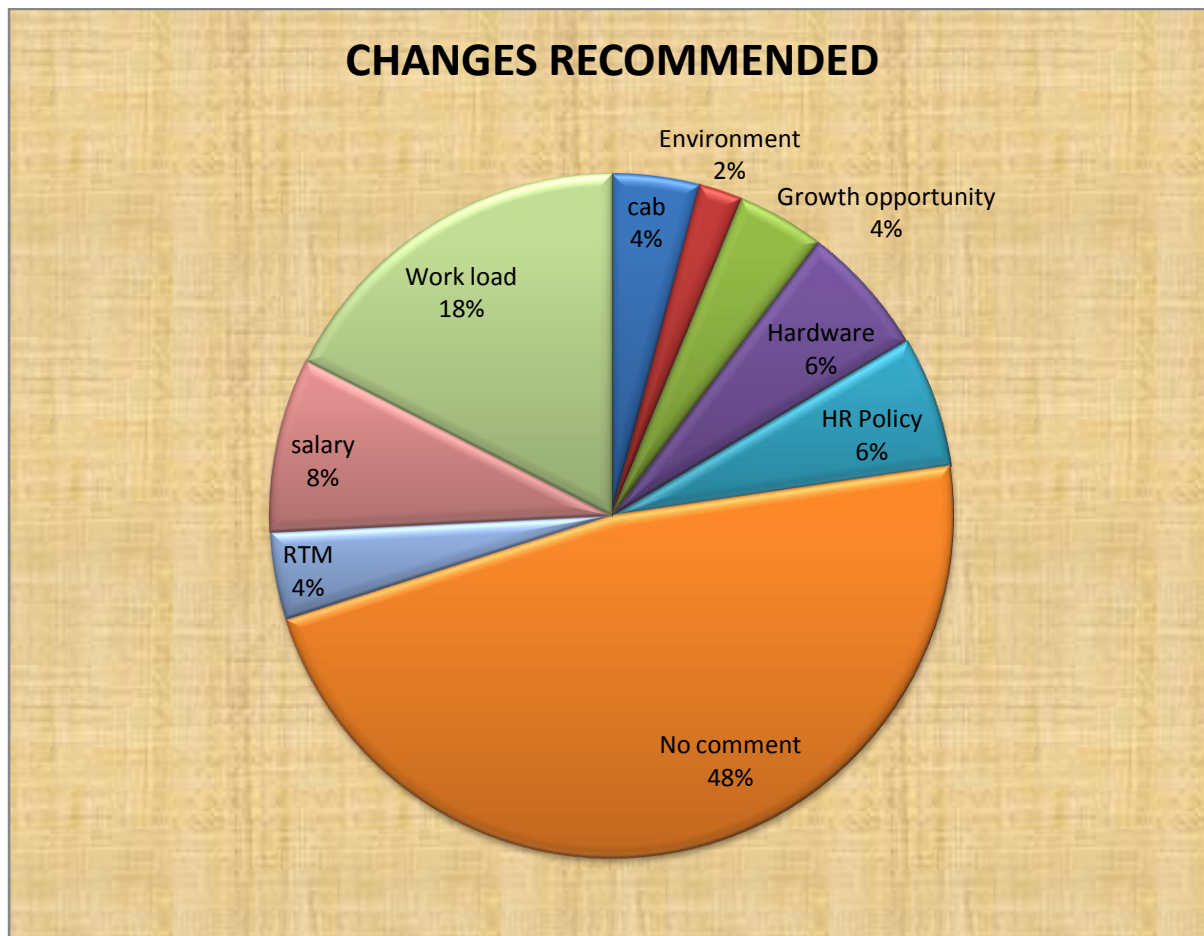
Merits	Total
Café	1
Calling people	6
Environment	12
Everything	18
No Comment	1
Nothing	1
Salary	1
Supervision	8
Grand Total	48

Then response to the 2 question that what you like most about your job was everything followed by environment and the type of supervision they receive. The above data shows the response of the agents.



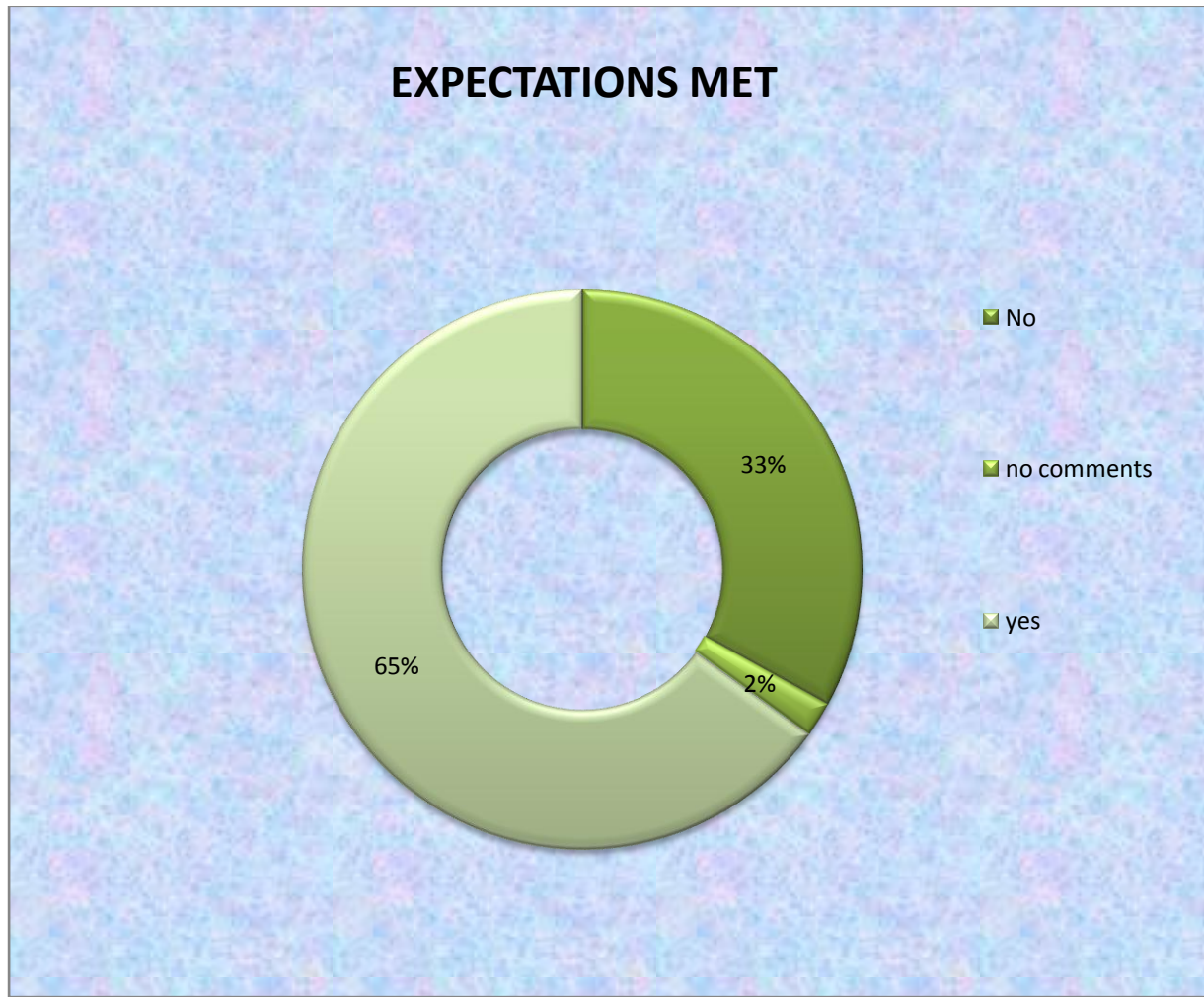
Demerits	Total
abusive customers	3
break management	1
Cab	2
Coupon System	1
environment	2
everything	2
Hardware	1
HR Policy	3
no comment	2
Nothing	9
salary	2
shifts	5
Strech	7
supervision	8
(blank)	
Grand Total	48

Then the response of the agent on the 3 question was collected which was what you most dislike about your job? The highest response was that there was nothing they dislike about the job and following it was the supervision.



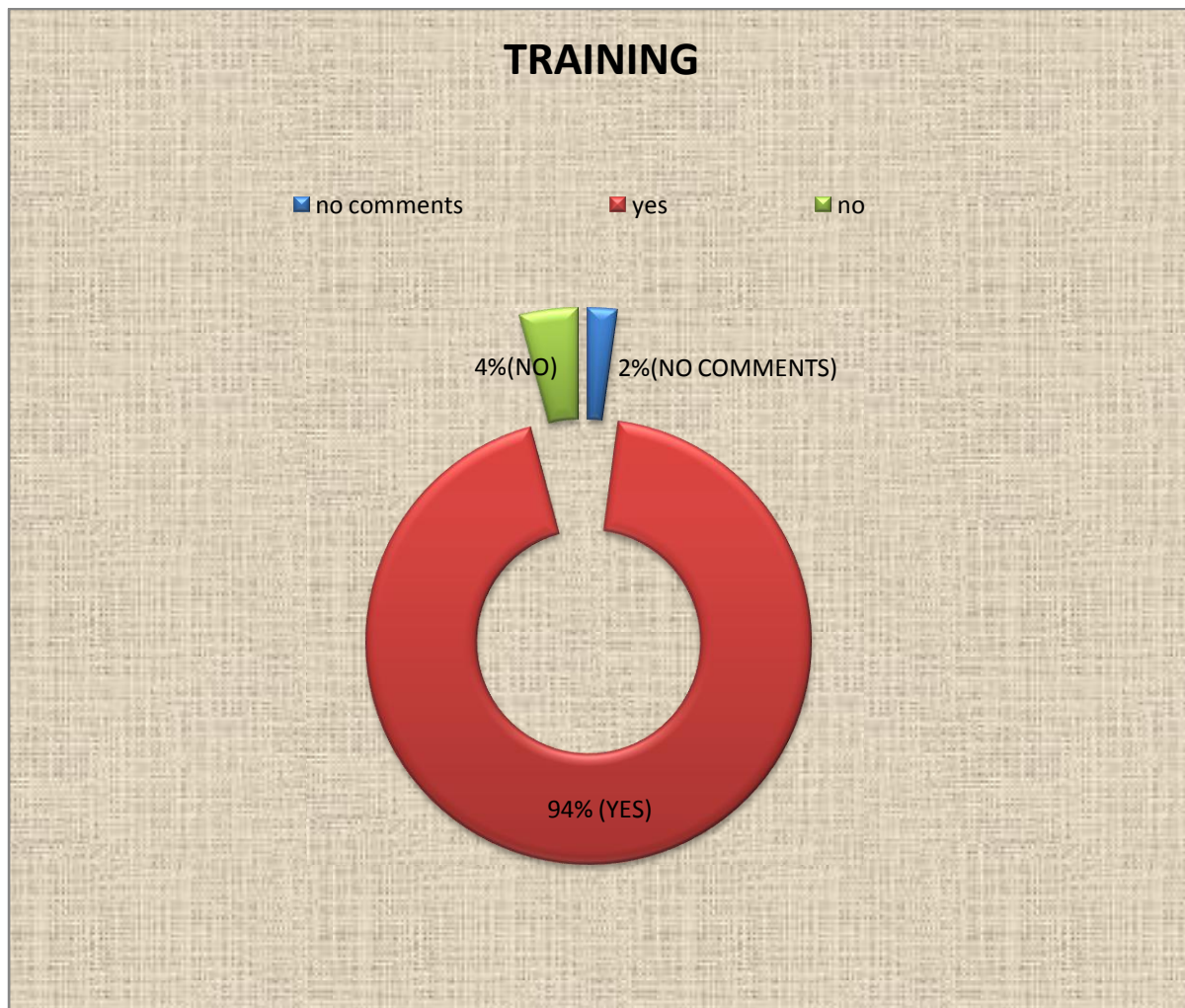
Changes recommended	Total
cab	4%
Environment	2%
Growth opportunity	4%
Hardware	6%
HR Policy	6%
No comment	46%
RTM	4%
salary	8%
Work load	17%
(blank)	0%
Grand Total	100%

Then the next question they were asked was, what you would like to change in your previous job? 46% gave no comments to this question and 17% recommended the workload should be less.



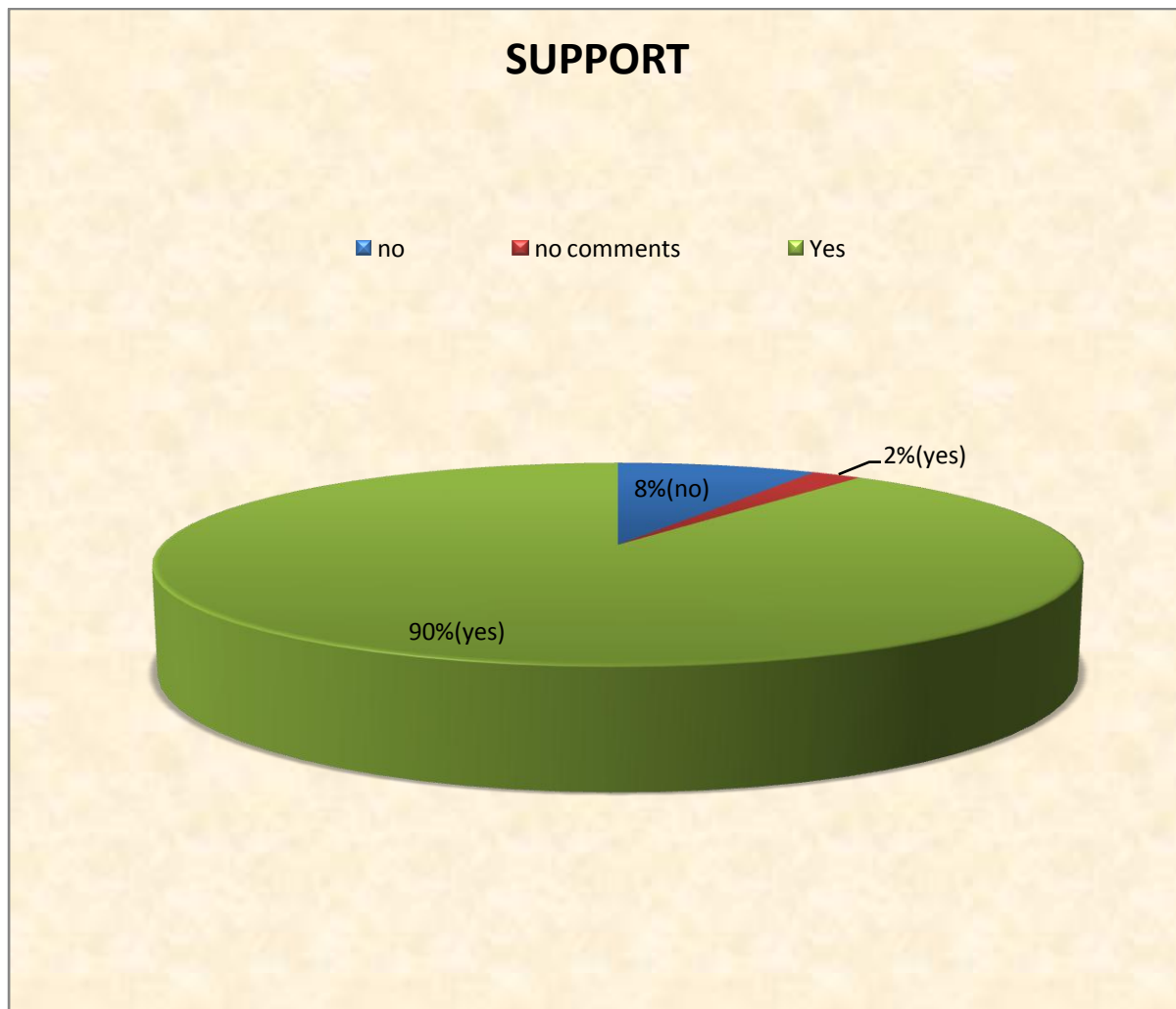
Expectation Met	Total
No	33%
No comments	2%
Yes	65%
(blank)	0%
Grand Total	100%

Was your job as expected? 65% said that yes their job was as they expected and 33% didn't agree and said that it was not same and 2% of them gave no comments.



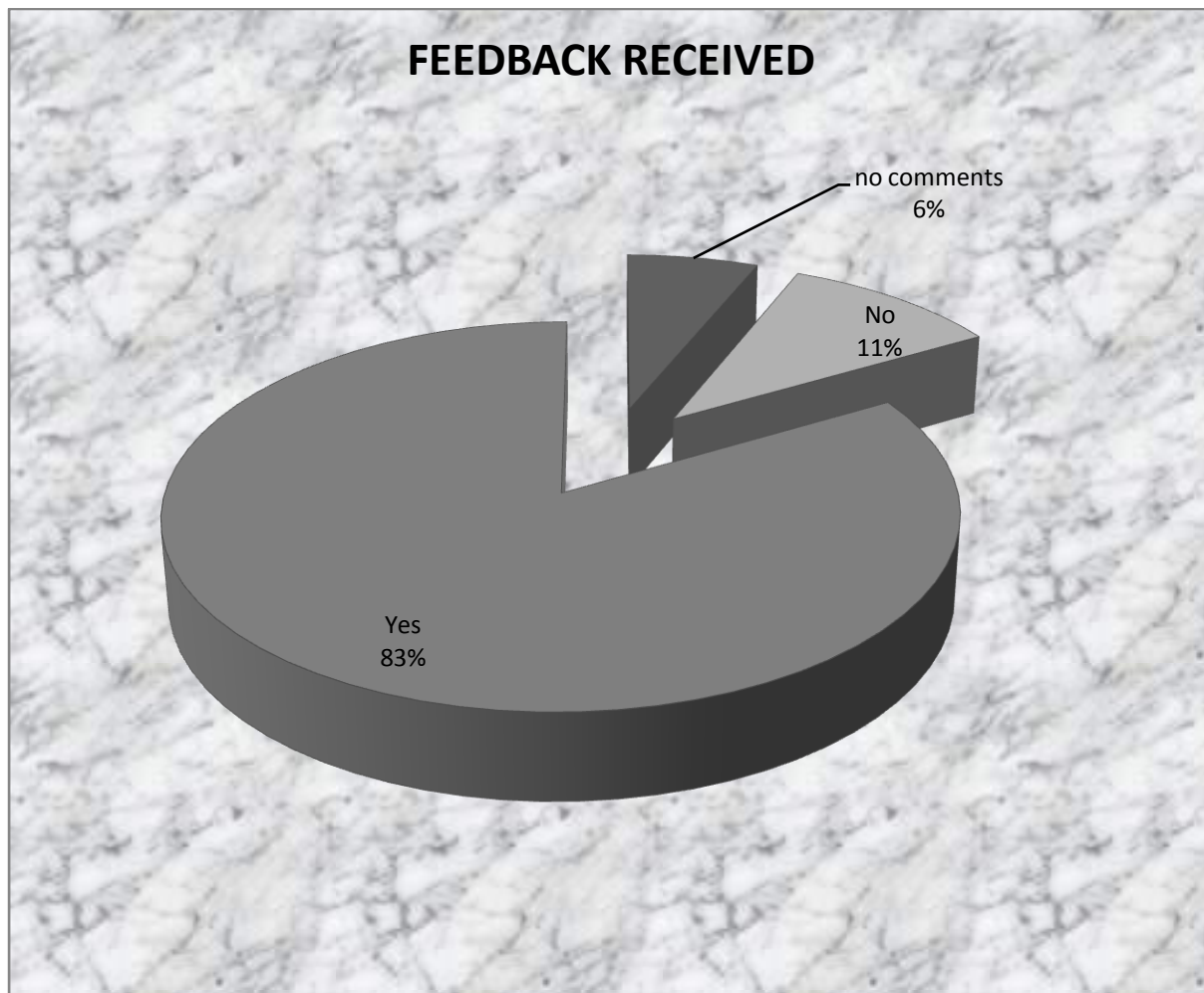
Training	Total
No comments	2%
yes	94%
No (blank)	4%
Grand Total	100%

Then they were asked about if they receive proper training? 94% were satisfied with their training and 4% of them said they didn't get proper training.



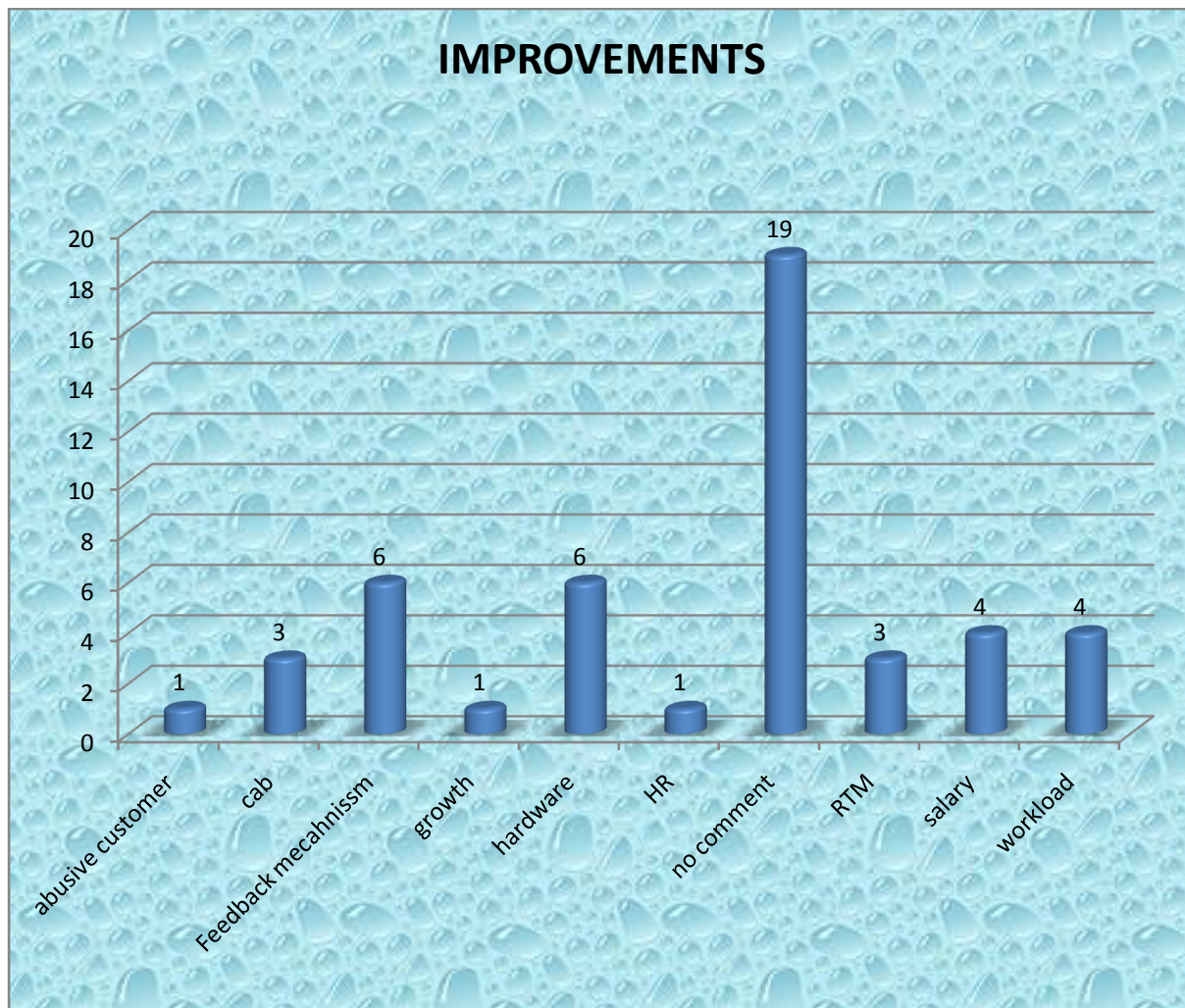
Support	Total
No	8%
No comments	2%
Yes	90%
(blank)	0%
Grand Total	100%

Then they were asked question that did they receive proper support from there T.L, H.R etc. To this 90% of them said yes t hey received full support from their supervisors and 8% said they didn't receive proper support and 2% of them gave no comments.



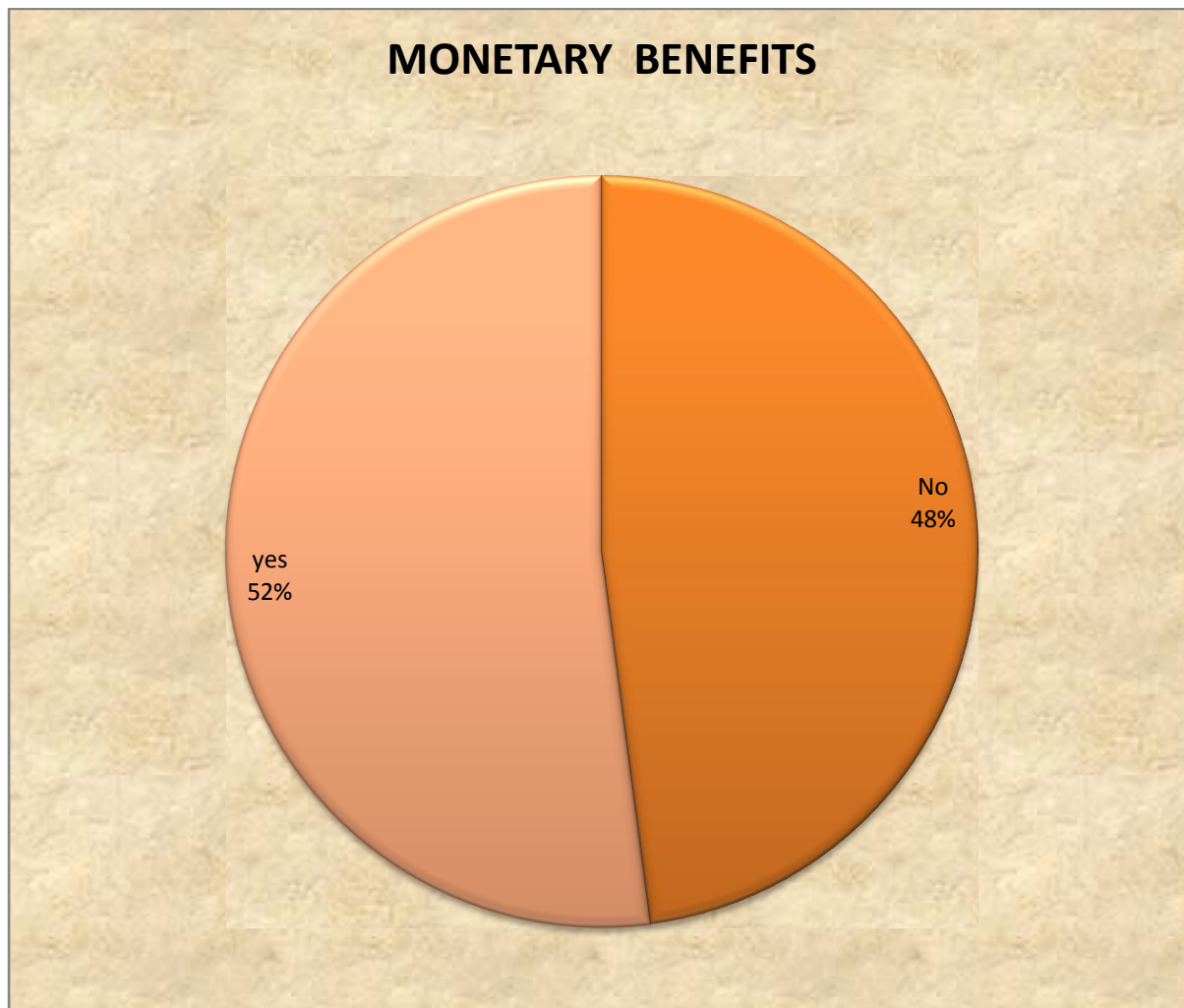
Feedback received	Total
No comments	6%
No	10%
Yes	83%
Grand total	100%

The next question that was asked was that did they receive proper feedback from their supervisors, T.L. To this 83% of them said yes and 10% said No and the rest 6% gave No comments on this.



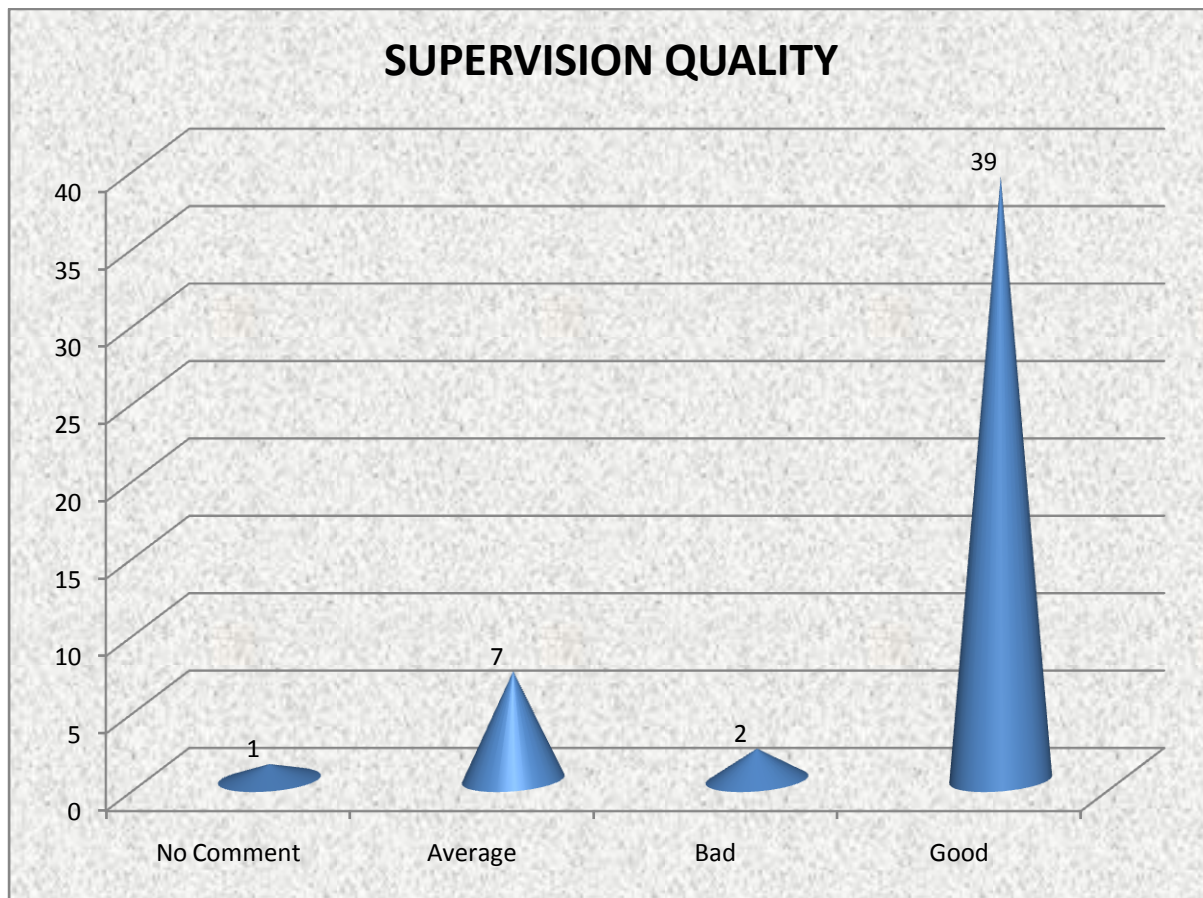
Improvements	Total
abusive customer	1
cab	3
Feedback mechanism	6
Growth	1
Hardware	6
HR	1
no comment	19
RTM	3
Salary	4
Workload	4
(blank)	
Grand Total	48

The response to question regarding what all improvements can be made in the workplace , 19 of them gave no comments whereas 6 of them wanted the hardware(P.C, headphones) to improve and 6 of them wanted feedback mechanism to improve and so on.



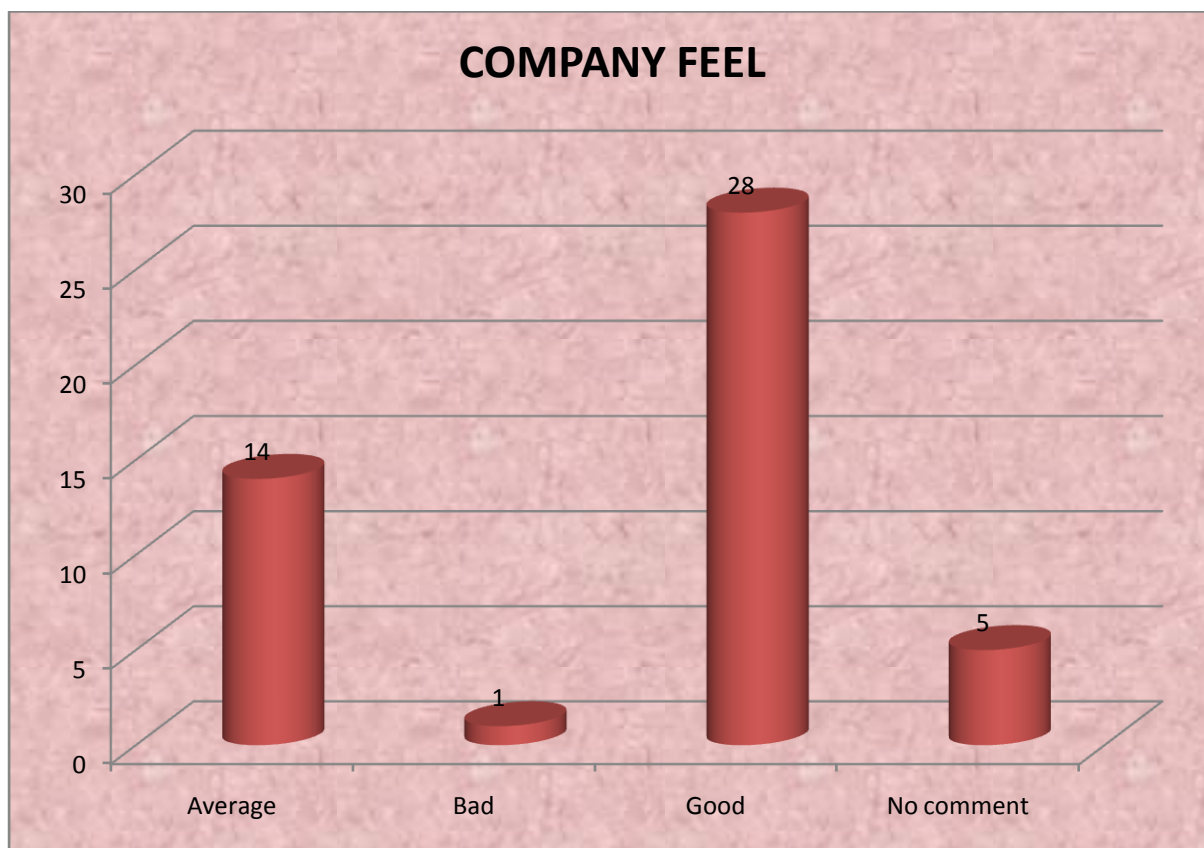
Monetary benefits	Total
No	48%
yes	52%
(blank)	0%
Grand Total	100%

Then in a question regarding their salary, incentives and benefits, they were asked that were they satisfied with their monetary benefits to which 52% of them said yes and the rest 48% of them said they were not happy with them.



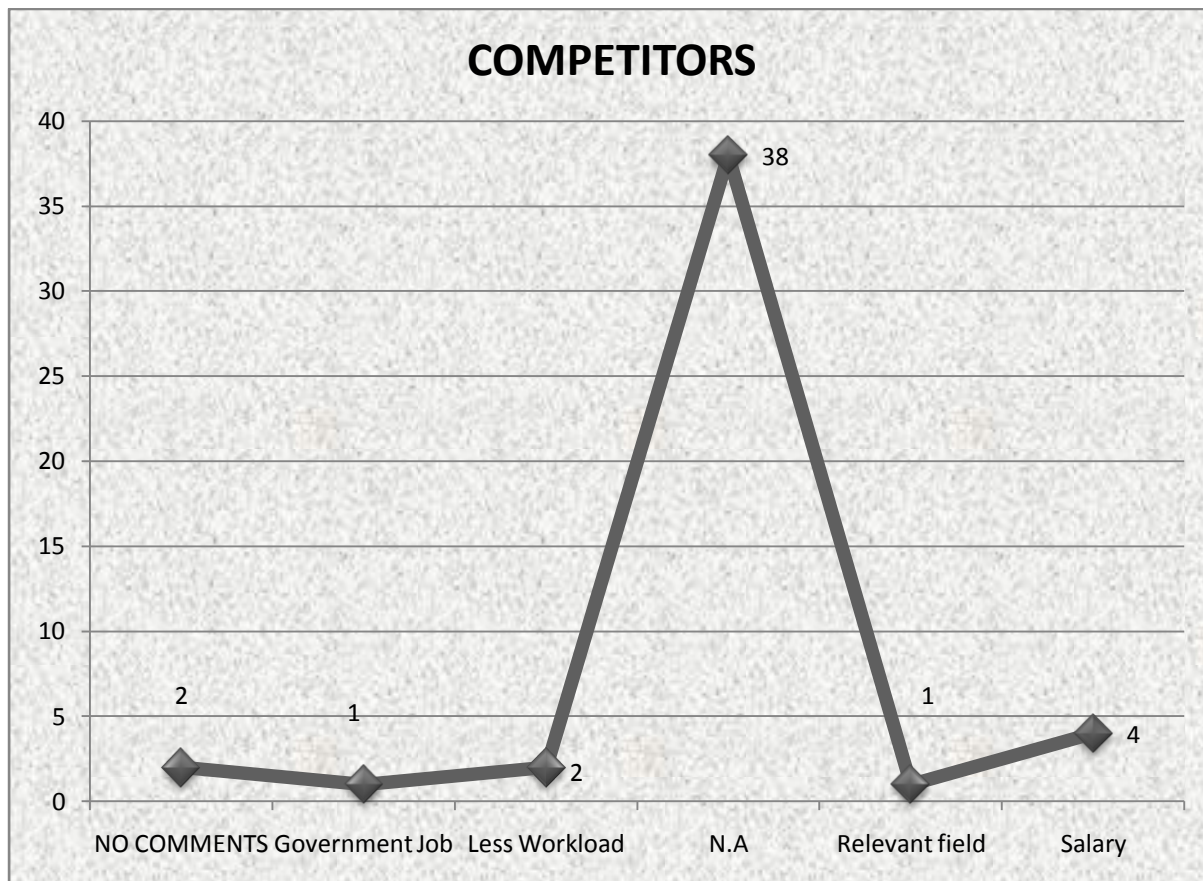
Supervision quality	Total
No Comment	1
Average	7
Bad	2
Good	39
(blank)	
Grand Total	48

When asked about the quality of supervision they receive? The response was 39 of them said it was good whereas 7 of them find it average and 2 of them said it to be bad and 1 out of 48 have No comments to this question.



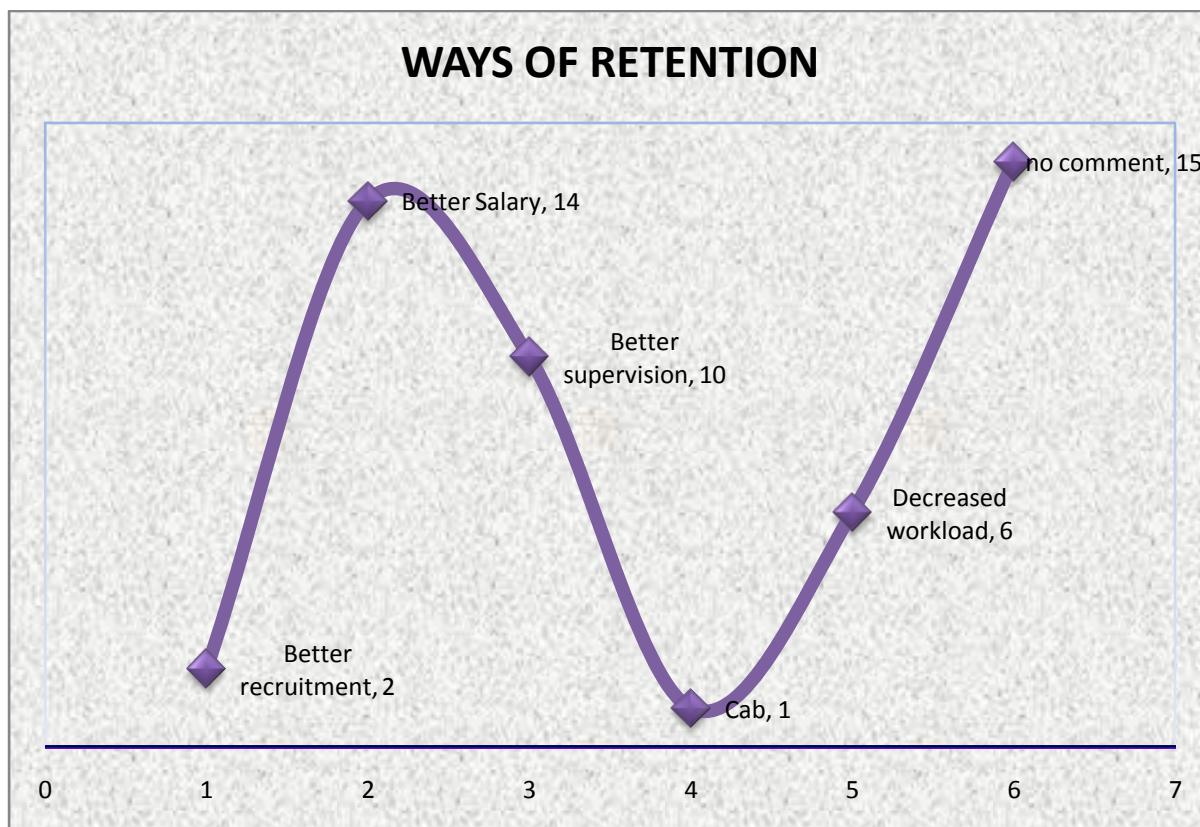
Company Feel	Total
Average	14
Bad	1
Good	28
No comment (blank)	5
Grand Total	48

Then there was a question that what they generally feel about the company to which 28 of them find it good and 14 of them said it is average and 1 found it bad while 5 people didn't have any comments to this question.



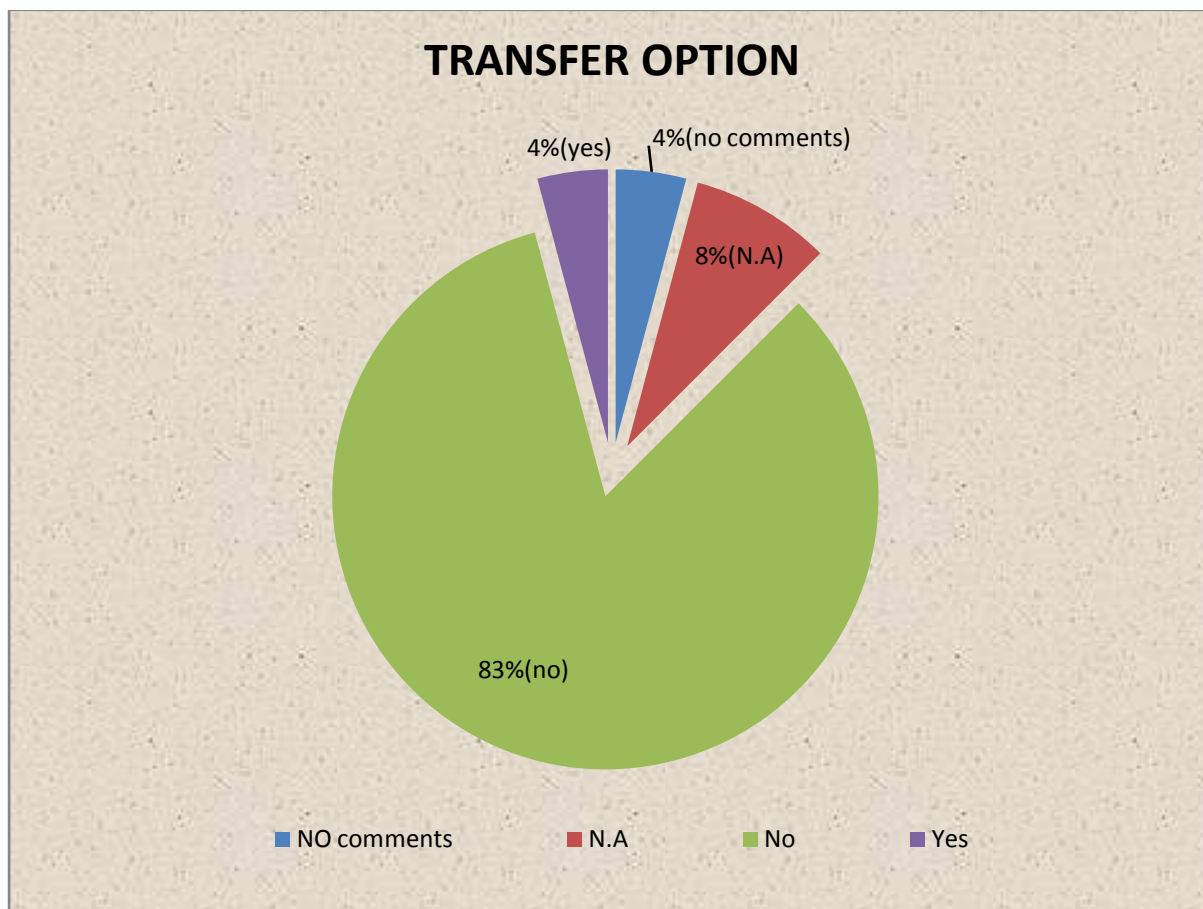
Competitor	Total
NO Comments	2
Government Job	1
Less Workload	2
N.A	38
Relevant field	1
Salary	4
(blank)	
Grand Total	48

There was another question that what does your new company offers that this company didn't. On this 38 out of 48 have not joined any other job and 4 of them said that they are given more salary as compared to what they received in their present job.



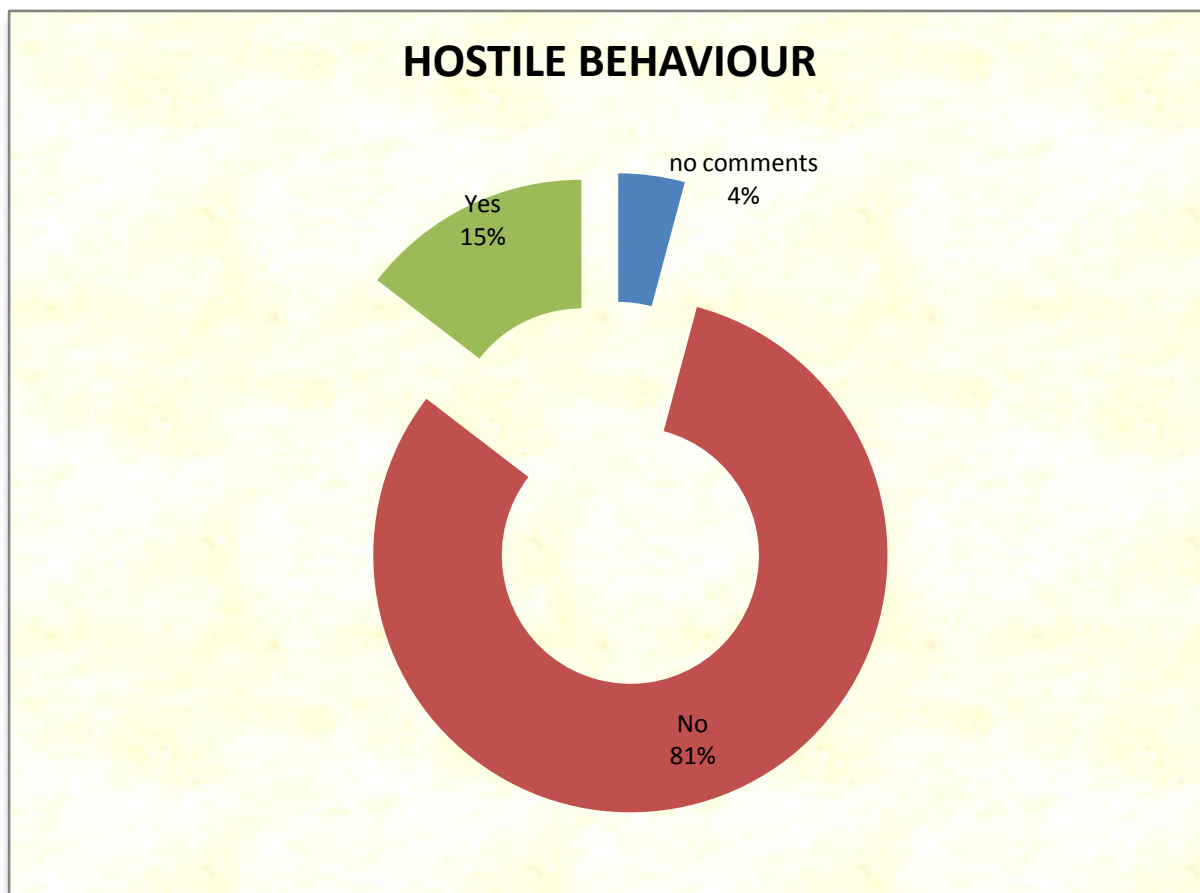
Ways of Retention	Total
Better recruitment	2
Better Salary	14
Better supervision	10
Cab	1
Decreased workload	6
no comment (blank)	15
Grand Total	48

There was 1 question that what can be done so that employees don't leave their job. The response was 15 of them gave no comments saying it is the H.R department who should decide this and 14 of them said good salary and 10 of them suggested better supervision and 6 of them suggested to decrease the workload and so on.



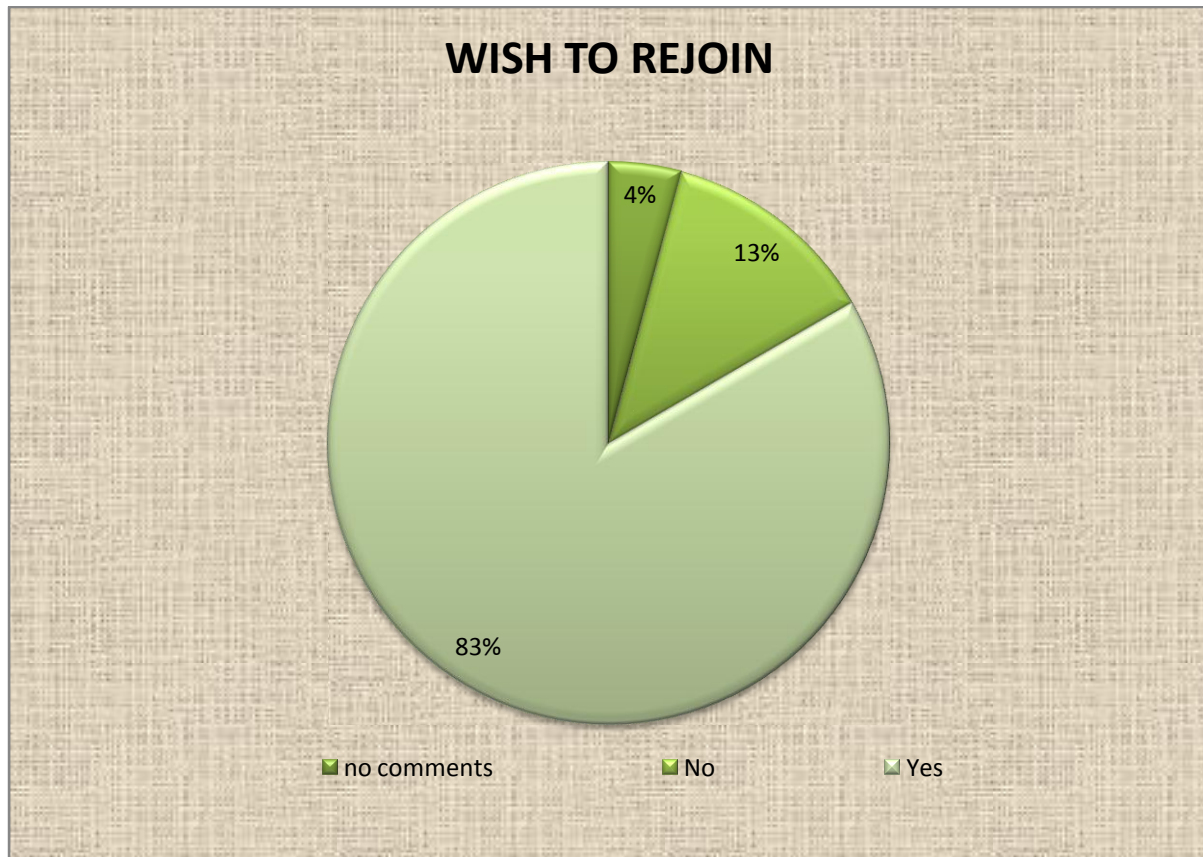
Transfer option	Total
NO comments	4%
N.A	8%
No	83%
Yes	4%
(blank)	0%
Grand Total	48

Then they were asked about the transfer option i.e. before deciding to leave the job, did they think about the transfer within the same company? To this 83% of them responded No and 45 of them said yes they have tried.



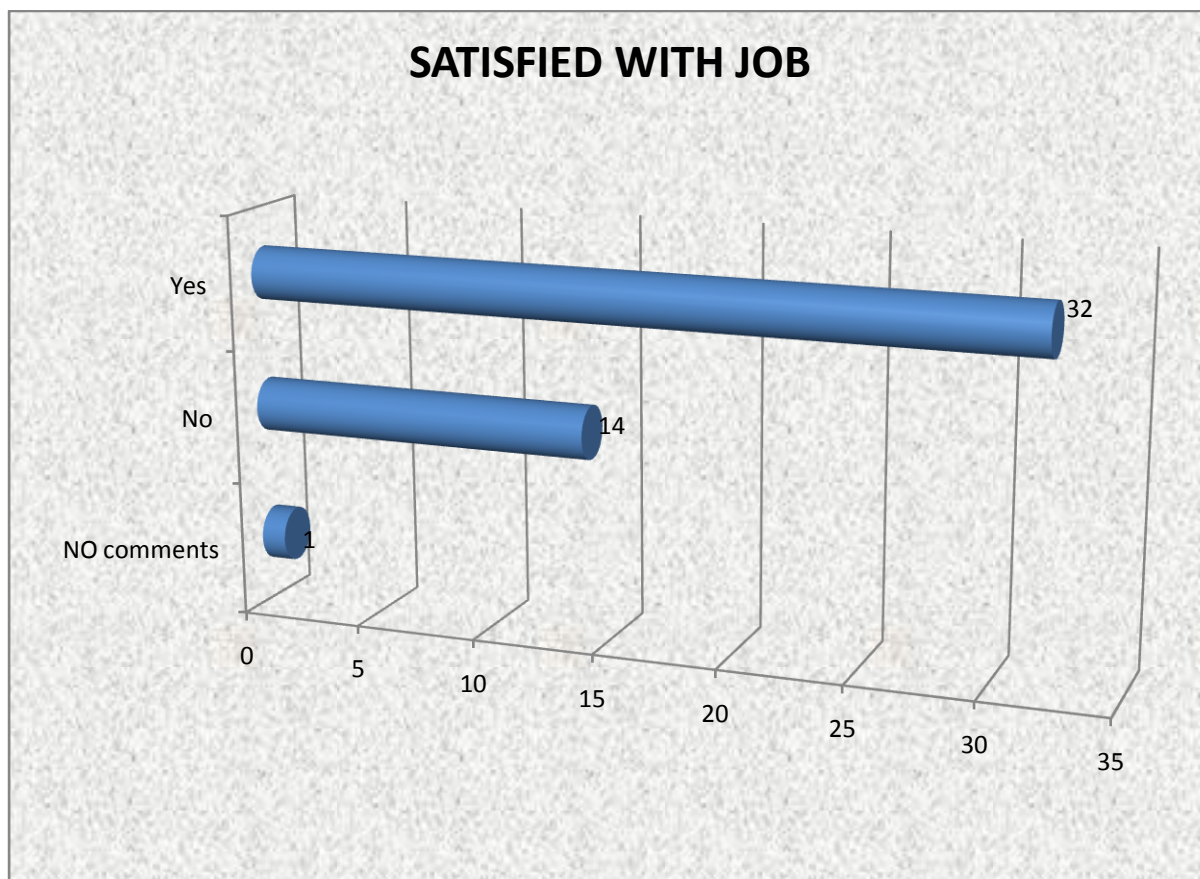
Hostile behavior	Total
no comments	4%
No	81%
Yes	15%
(blank)	0%
Grand Total	100%

The response on the question that were they ever treated badly by anyone during their job was that 81% of them never faced such kind of behavior from anyone and 15% of them responded that they did face such kind of behavior.



Wish to rejoin	Total
no comments	4%
No	13%
Yes	83%
(blank)	0%
Grand Total	100%

Would you like rejoin if given a chance? To this the response was 83% of them said they would love to work in same company all again and 13% of them were not willing to work again and so on.



Satisfied with job	Total
NO comments	1
No	14
Yes	32
Grand Total	48

Then the last question was that were they satisfied with their job to which 32 of them said yes they were satisfied with their job and 14 of them were not satisfied with their job and 1 didn't have any comment on this.

The objective of the project was to identify the main reason for attrition and suggest actions to reduce the same. The reasons have been categorized into six broad categories i.e. company branding, H.R policy, individual, infrastructure, manpower planning, supervision. The major reasons for attrition are manpower planning, supervision and H.R policies which form 35%, 26%, 18% respectively and a sum total of 79% of the reasons of attrition. Various recommendations have been made which will help plug the loop wholes hence reducing the attrition of the company. Also interaction on the job with the employees has brought forward following issues

Workplace / Environmental Influences

The much-hyped "work for fun" tag normally associated with the industry has in fact backfired, as many individuals (mostly fresh graduates) take it as a pass-time job. On joining the sector and understanding its requirements, they are bewildered by the long working hours

and later monotony of the job starts setting in. The toughness of the job and timings is not adequately convey

Perception of Stop-Gap Job

For the thousands of hopefuls joining the ITES sector, their major source of insecurity is the short-lived career promises of the industry - a stop-gap option before the great career dream materializes.

Training

Besides the induction and project training, not much investment has been done to evolve a "continuous training program" for the agents. Motivational training is still to evolve in this industry.

Vague Vision & Values

Senior management must articulate a clear and compelling vision for the organization in order for it to succeed. People join and stay with companies where they feel they can truly "serve" their customers and make a difference in the organization.

Lack of Positive Direction

Poorly prepared management can potentially communicate an undesirable message of apathy and frustration to employees, which can be detrimental to the health of the services being offered.

Limited or Lack-Luster Training

Employees want to continually upgrade their skills and expect that employers will facilitate. In fact, research shows that employees are three times more likely to leave a company that does not provide job-related training.

Hiring that Misfires

It makes far more business sense to determine if a candidate fits the environment before you hire than have to deal with the consequences of a mismatch. A Gartner Group Study revealed that supervisors wished their companies did a better job of screening out candidates who in the hindsight were not suited for the job.

Women in Workforce

In international BPOs, the high percentage of females in the workforce (constituting 30-35%) adds to the high attrition rate. Most women leave their job either after marriage or because of social pressures caused by irregular working hours in the industry. All this translates into huge losses for the company, which invests a lot of money in training them.

Inadequate Managers

Many companies, in the IT-enabled services space, have grown rapidly in recent years. A lot of firms are unprepared to deal with this meteoric growth. The companies should have the foresight to invest in management teams that can grow faster than the production staff. A lot of firms are losing people because their managers are too thinly staffed who are always fighting fires rather than doing proactive work.

Employee Database Leakage

Attrition can also take place due to leakages of employee data through the HR staff or database administrators or any other employee when he joins another organization or through outsourced human resource vendors.

Overwork & Burnout

Unrealistic expectations are de-motivators, not incentives. Irregular hours and meal-times, lack of rest resulting in physical strain, high-stress environments, etc., cause employees to burn out and re-evaluate their willingness to work in places like call centers.

The present study is subjected to following limitations:-

1. Method of data collection was telephonic interview so most of the phone numbers were either switched off or not reachable.
2. As it was an exit interview so some of the agents who have left the job were not forthcoming with their responses.
3. Some of them have joined some other organization so they were unable to answer the full questionnaire.
4. Most of them were not satisfied with their job so they didn't answer the questionnaire.
5. Some of them have changed their phone numbers so it was difficult to contact them.
6. Some T.Ls were changed so the new T.L doesn't have the numbers of the old agents.

SUGGESTIONS:-

1. Improve infrastructure and brand image.
2. Stretch policy to be reviewed.
3. Increase awareness of salary structure.
4. Salary benchmarking.
5. H.R sessions need to be conducted.
6. Candidates with professional degrees to be avoided during recruitment.
7. Increase awareness about IJP's.
8. Bench can be created to accommodate extra leave.
9. Increased ER activities.
10. Team building activities to be created.
11. Team leaders to be roistered with team.
12. BPO's should opt for Stay-at-home Employees
13. BPO's should introduce flexible working timings and styles.