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A PROJECT REPORT ON
(EMPLOYEE RETENTION)

Talented men leave. Dead wood doesn't.

Philosophically, employee retention is important; in almost all cases, it is senseless to allow good people to leave your organization. When they leave, they take with them intellectual property, relationships, investments (in both time and money), an occasional employee or two, and a chunk of your future. Employee Retention Strategies helps organizations provide effective employee communication to improve commitment and enhance workforce support for key corporate initiatives. We also provide full support for your marketing-communication efforts by helping you build customer loyalty by distinguishing and positioning your organization's unique products and services in today's crowded marketplace.

HUMAN RESOURCE MANAGEMENT

Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets - the people working there who individually and collectively contribute to the achievement of the objectives of the business. The terms "human resource management" and "human resources" (HR) have largely replaced the term "personnel management" as a description of the processes involved in managing people in organizations. Human Resource management is evolving rapidly. Human resource management is both an academic theory and a business practice that addresses the theoretical and practical techniques of managing a workforce.

The Human Resources Management (HRM) function includes a variety of activities, and key among them is deciding what staffing needs you have and whether to use independent contractors or hire employees to fill these needs, recruiting and training the best employees, ensuring they are high performers, dealing with performance issues, and ensuring your personnel and management practices conform to various regulations. Activities also include managing your approach to employee benefits and compensation, employee records and personnel policies. Usually small businesses (for-profit or nonprofit) have to carry out these activities themselves because they can't yet afford part- or full-time help. However, they should always ensure that employees have -- and are aware of -- personnel policies which conform to current regulations. These policies are often in the form of employee manuals, which all employees have.

HRM is seen by practitioners in the field as a more innovative view of workplace management than the traditional approach. Its techniques force the managers of an enterprise to express their goals with specificity so that they can be understood and undertaken by the workforce and to provide the resources needed for them to successfully accomplish their assignments. As such, HRM techniques, when properly practiced, are expressive of the goals and operating practices of the enterprise overall. HRM is also seen by many to have a key role in risk reduction within organizations.

There is a long-standing argument about where HR-related functions should be organized into large organizations, eg, "should HR be in the Organization Development department or the other way around?"

The HRM function and HRD profession have undergone tremendous change over the past 20-30 years. Many years ago, large organizations looked to the "Personnel Department," mostly to manage the paperwork around hiring and paying people. More recently, organizations consider the "HR Department" as playing a major role in staffing, training and helping to manage people so that people and the organization are performing at maximum capability in a highly fulfilling manner.

Employee Retention

Effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs. A strong retention strategy becomes a powerful recruitment tool.

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.

Intelligent employers always realise the importance of retaining the best talent. Retaining talent has never been so important in the Indian scenario; however, things have changed in recent years. In prominent Indian metros at least, there is no dearth of opportunities for the best in the business, or even for the second or the third best. Retention of key employees and treating attrition troubles has never been so important to companies.

In an intensely competitive environment, where HR managers are poaching from each other, organisations can either hold on to their employees tight or lose them to competition. For gone are the days, when employees would stick to an employer for years for want of a better choice. Now, opportunities abound.

It is a fact that, retention of key employees is critical to the long-term health and success of any organisation. The performance of employees is often linked directly to quality work, customer satisfaction, and increased product sales and even to the image of a company. Whereas the same is often indirectly linked to, satisfied colleagues and reporting staff, effective succession planning and deeply embedded organisational knowledge and learning.

Employee retention matters, as, organisational issues such as training time and investment, costly candidate search etc., are involved. Hence, failing to retain a key employee is a costly proposition for any organisation. Various estimates suggest that losing a middle manager in most organisations, translates to a loss of up to five times his salary. This might be worse for BPO companies where fresh talent is intensively trained and inducted and then further groomed to the successive stages. In this scenario, the loss of a middle manager can often prove dear.

In fact, some reports suggest that attrition levels in IT companies are as high as 40 per cent. The only way out is to develop appropriate retention strategies.

Though BPO industry shoots ahead at 40 to 50 per cent a year, it is now losing 35 to 40 per cent of its 350,000-odd employees as well.

In India there are few sectors where the attrition level is much larger compared to other sectors. For example: IT sector and BPO. Where as there are organizations like Air India, HAL, DRDO, BARC where the attrition is nearly 5% or less than that.

Employee Retention Strategies helps organizations provide effective **employee** communication to improve commitment and enhance workforce support for key corporate initiatives.

The Importance of Retaining Employees

The challenge of keeping employees: Its changing face has stumped managers and business owners alike. How do you manage this challenge? How do you build a workplace that employees want to remain with ... and outsiders want to be hired into?

Successful managers and business owners ask themselves these and other questions because—simply put—employee retention *matters*:

- ▶ High turnover often leaves customers and employees in the lurch; departing employees take a great deal of knowledge with them. This lack of continuity makes it hard to meet your organization's goals and serve customers well.

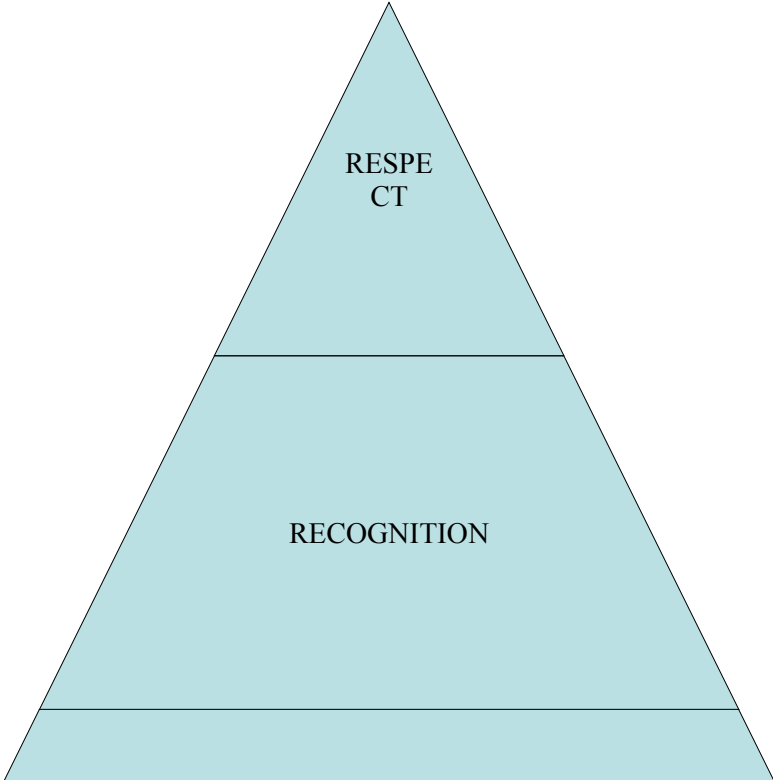
- ▶ Replacing employees costs money. The cost of replacing an employee is estimated as up to twice the individual's annual salary (or higher for some positions, such as middle management), and this doesn't even include the cost of lost knowledge.

- ▶ Recruiting employees consumes a great deal of time and effort, much of it futile. You're not the only one out there vying for qualified employees, and job searchers make decisions based on more than the sum of salary and benefits.

- ▶ Bringing employees up to speed takes even more time. And when you're short-staffed, you often need to put in extra time to get the work done.

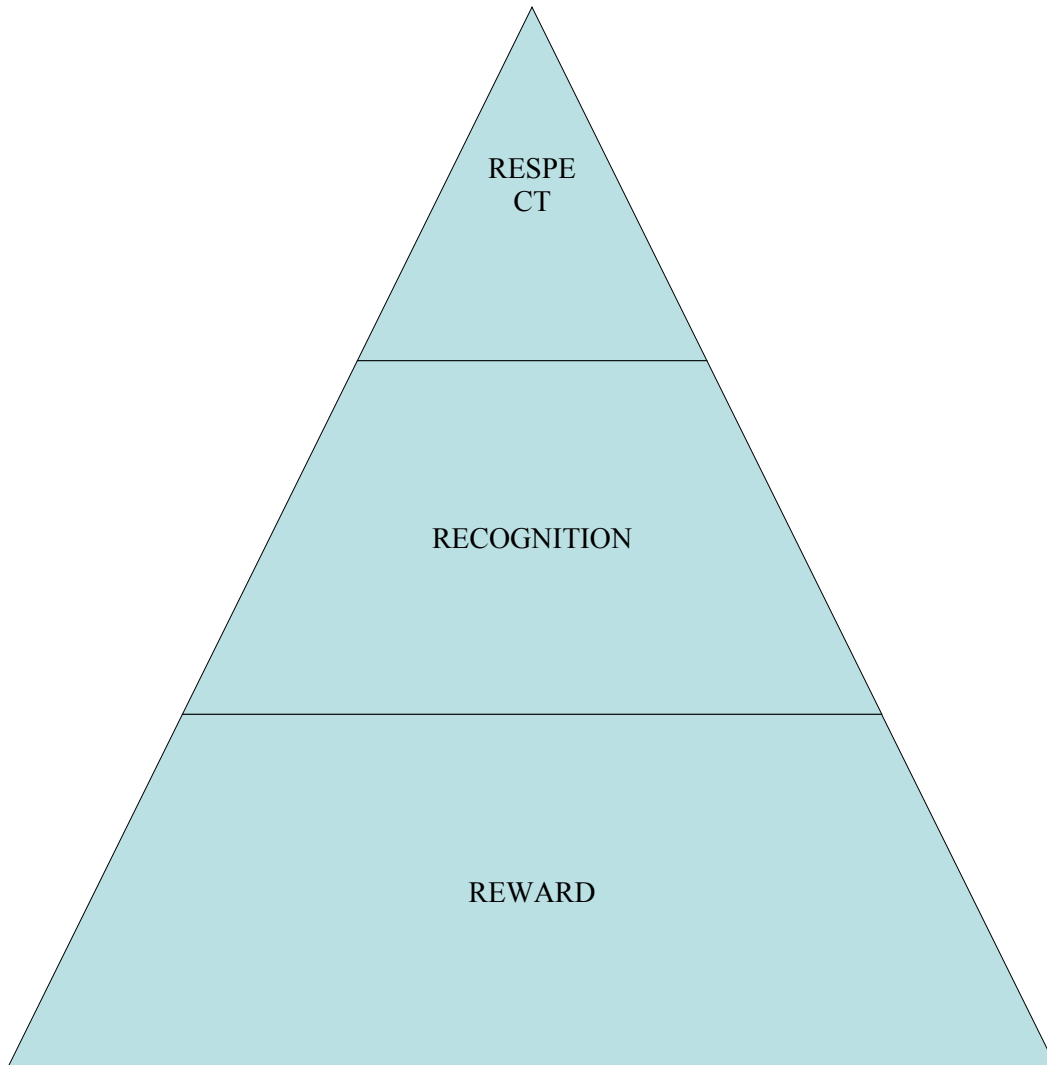
The Three Rs of Employee Retention

To keep employees and keep satisfaction high, you need to implement each of the three Rs of employee retention: respect, recognition, and rewards.



RESPE
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RECOGNITION



Respect is esteem, special regard, or particular consideration given to people. As the pyramid shows, respect is the foundation of keeping your employees.

Recognition and rewards will have little effect if you don't respect employees.

Recognition is defined as “special notice or attention” and “the act of perceiving clearly.” Many problems with retention and morale occur because management is not paying attention to people’s needs and reactions.

Rewards are the extra perks you offer beyond the basics of respect and recognition that make it worth people’s while to work hard, to care, to go beyond the call of duty. While rewards represent the smallest portion of the retention equation, they are still an important one.

You determine the precise methods you choose to implement the three Rs, but in general, respect should be the largest component of your efforts. Without it, recognition and rewards seem hollow and have little effect—or they have negative effects. The magic truly is in the mix of the three.

Rewards

Recognition

Respect

When you implement the “three Rs” approach, you will reduce turnover and enjoy the following:

➤ **Increased productivity**

➤ **Reduced absenteeism**

➤ **A more pleasant work environment (for both employees and you!)**

➤ **Improved profits**

Furthermore, an employer who implements the three Rs will create a hard-to-leave workplace, one known as having more to offer employees than other employers. You become a hard-to-leave workplace—one with a waiting list of applicants for any position that becomes available—purposefully, one day at a time.

A steadfast philosophy that sets Employee Retention Strategies apart:

- Uses only research-based, theory-supported approaches to improving employee engagement. Avoided are gimmicks such as employee of the month, suggestion boxes,

prizes or other “carrots.” While commonly used, these short-term fixes fail to produce genuine employee loyalty (more than 60 years’ of research tells us so!).

- Employs an easy-to-understand systems approach to ensure the root causes of turnover are addressed and the potential for lasting change unleashed.
- Customizes all activities to your organization’s unique history, current practices and strategic objectives. Also considered are challenges unique to your industry sector, competitive marketplace issues and talent shortages.
- Involves those responsible for implementing change in actually creating the change, ensuring input and improved shared understanding and support of all initiatives.
- Integrates hands-on, action-oriented approaches that enable organizations to move forward quickly and effectively
- Recognizes the research-proven role of no-cost strategies in developing the “glue” that builds employee loyalty and commitment.
- Brings to your organization leading-edge organization-development best practices to effectively and quickly build a retention-rich culture.

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KEi’s EMPLOYEE RETENTION WHEEL

The first step to improving your employee retention is to understand why employees stay with their current employer. Many "experts" dwell on the reasons employees leave, which is not as important or revealing as the reasons they stay. Companies have tried many different programs and perks to hold onto good employees. However, studies show

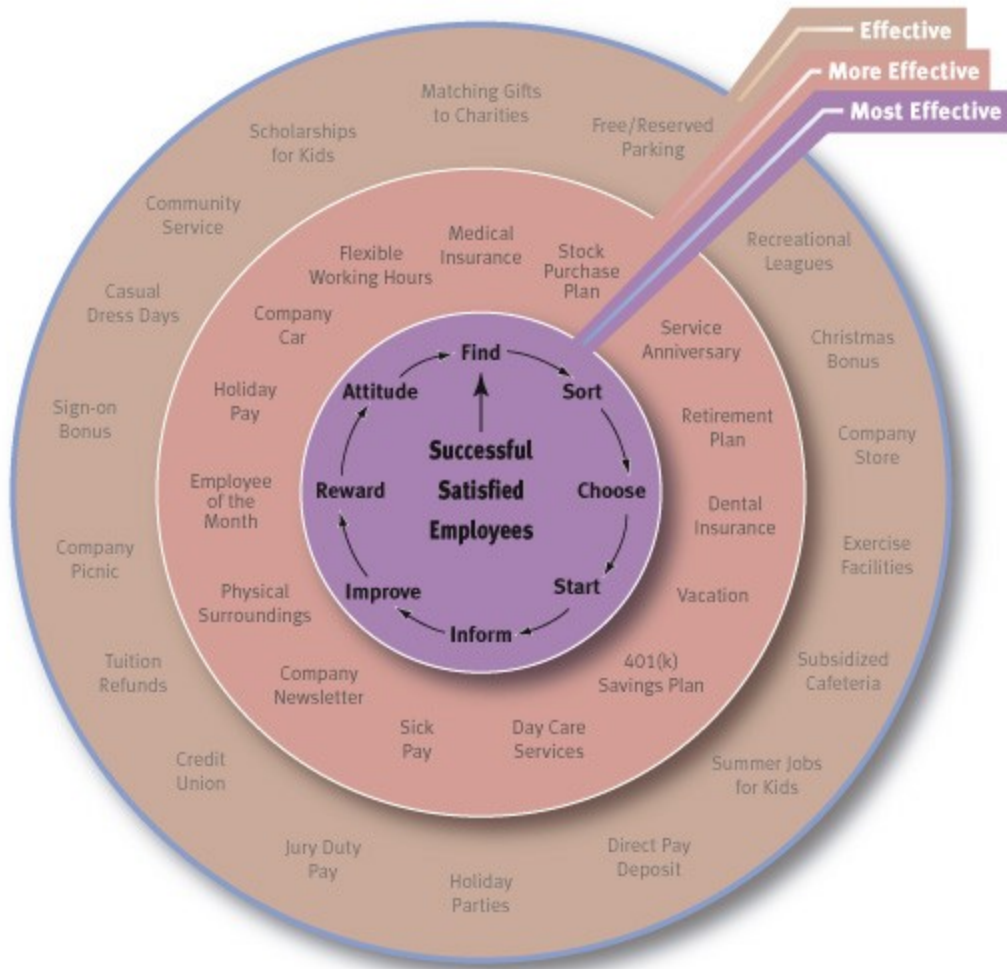
that these efforts are not enough to retain good employees when the support that is needed to achieve job success is not adequate.

Don't Waste Your Money on Things That Don't Make a Difference...

Among the countless inducements offered, only those identified in the center of **KEi's Employee Retention Wheel™** are truly what give employees a consistent reason for saying "no thank you" when tempted with a "sweeter offer." After years of study and experience, KEi has determined, and presented in the Retention Wheel, what factors do have the greatest impact on keeping employees.

KEi has used this information to give employers the tools to meet the core needs that keep employees successful at their jobs, thus reducing the high costs associated with unwanted employee turnover.

KEi's Employee Retention Wheel™



*"Controllable employee turnover" is caused by only two things: 'Bad hiring' and 'Bad Treatment.' Employers try numerous things to keep good employees. However, studies show that the programs in the outer two rings do not have as great an impact on retaining employees as the processes identified in the center of **KEi's Employee Retention Wheel**. Employers need to focus on providing supervisors with the tools that implement the processes at the center of the wheel.*

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Using the Wheel to Improve Employee Retention

KEi's Employee Retention Strategy is based upon two primary beliefs:

- (1) It is difficult for employers to retain good employees if they don't have a process to hire the right people in the first place.
- (2) Retention processes must directly support the reasons that successful, satisfied employees stay.

KEi's concentration on the center of the Employee Retention Wheel provides employers with Internet-based tools that give employees systematic, ongoing support to be successful in their work and satisfied with their employment.



The Center of KEi's Employee Retention Wheel: EIGHT FACTORS



Definition of successful: my job is helping me to grow personally, professionally and financially.

Definition of satisfied: my employer is providing what I need to perform my job successfully.

These **eight central** processes of the Employee Retention Wheel are the factors that are most critical to an employee's job performance success.

ATTITUDE FOR EMPLOYING

A process to clearly define the way supervisors are expected to interact with employees; a process to give employees a way to express what is most important to achieve job success; and a process to give employers a way to demonstrate "Employing Values" through employment policies.

This "Employer Mission Statement" is about how and who you hire, how you treat them, and the organization's values as an employer. It is about making sure that the Values for Employing™ are communicated to your employees and consistently implemented throughout your organization. It is about the total employment package that goes beyond salary and traditional benefits.

FINDING CANDIDATES

A process that gives employers a comprehensive way to communicate to job seekers what it takes to achieve short-term and long-term job success, and to



	attract the candidates who fit this criteria.
	<u>SORTING APPLICANTS</u> A process that gives employers a way to confirm whether the attitudes and behaviors of job seekers are a match for their work environment.
	<u>CHOOSING EMPLOYEES</u> A process that gives employers a way to define the specific interview questions that prove job seeker abilities to successfully perform the target skills; and a process that gives employers a way to verify the accuracy of resume/application data and interview responses.
	<u>STARTING EMPLOYEES</u> A process that provides a way for new employees (before performing the job) to understand "why the employers business exists;" "what makes the business organization successful;" "why the employee's job exists;" and "what it will take for the employee to achieve job success."
	<u>INFORMING EMPLOYEES</u> A process that gives employers a way to provide essential information (from five critical information sources) that is needed by employees to make daily work decisions.
	<u>IMPROVING EMPLOYEES</u> A process that gives supervisors and employees a way to work together to build personalized plans for improving each employee's priority job skills; and a process that gives the employer a way to "deliver skills-improving training curriculum" and to "measure the learning effectiveness" from the training experiences.
	<u>REWARDING EMPLOYEES</u>



A process that gives employers a way to define and communicate exactly how individual employee salaries are determined; and a process that gives employers a way to provide employees with extra incentive income that is earned through the achievement of cash generating business goals.

10 WAYS TO RETAIN YOUR EMPLOYEE

Retaining key personnel is critical to long term success of an organization. A Retention Strategy has become essential if your organization is to be productive over time and can become an important part of your hiring strategy by attracting the best candidates who know of your track record for caring for employees. In fact, some companies do not have to recruit because they receive so many qualified unsolicited submissions due to their history of excellence in employee retention.

How do you get your employees to "fall in Love" with your organization? This is a great question. Some recently conducted research lists these Top Ten Strategies:

1. Treat your employees like you treat your most valuable clients.

It is cheaper to keep your good employees than it is to hire and train new ones. Your top 20-25% should be courted as you would court and then service your top customers.

2. Get your employees to "Fall in Love" with your organization.

Communicate your vision in a compelling way. Show everyone the role they have to contribute to this vision. Create opportunities for people to connect with each other for support and to improve communication in work teams.

- Capture the Hearts of your workforce with: Compelling vision/Balance/Celebration-Fun
- Open Communication: Internal listening is a priority, multiple lines of communication (various channels.) This is essential for managing change in a positive way with less sabotage, anger, resistance, and fear.
- Create partnerships: Squash status barriers/Open the books/pay for performance (not titles), share the "bad" times the "good" times.
- Drive Learning: "Guarantee Employability," Encourage Life Long Learning (Train outside of job description). Loyalty comes from trusting your employees to develop their skills for the good of the company and for their needs for personal growth and satisfaction.
- Emancipate Action: Freedom to Fail, reduce bureaucracy, challenge the "status quo." Breathe life into your organization. Do not let your employees stagnate.

3. Strong retention strategies become strong recruiting advantages.

4. Retention is much more effective when you put the right person into the right job. Know the job! Know the employee and their motivations.

Half of the Fortune 500 companies are now using assessments to more fully understand each job and the soft skills that are required for top production within their specific company culture. These benchmarked skills are then compared against qualified applicants to help determine who will be successful in the position and fit well within their company's culture. These assessments are also used as a powerful professional development tool to enhance the training of continuous life-long learning (which is another powerful retention strategy.) Advanced Fibre Communication is beginning to use this assessment process in hiring.

5. Money is important but it is not the only reason people stay with an organization.

If your compensation plan is in the top 20-30% of your industry, then money will often not be the reason why people leave.

6. Employee committees to help develop retention strategies is a very effective strategy.

Get their input! Ask, what do people like about working here? What would you like changed to make your company a better place to work?

Some companies, such as Advance Fibre Communication (AFC), have recognized that the special engineers and technical experts that are the cornerstones of their business, require special attention. Victoria Perrault, VP of Administrative Services for AFC, says that her company has identified the top 25% of their staff

and caters to these special people by meeting their financial requirements and looking for the best package of benefits that these people will find most positive as incentives to stay. They even have employee committees that work as "focus groups" to determine why people stay at AFC and what they might want to see changed to make AFC an even better place to work.

7. Leadership must be deeply invested in retention.

Management must be skillful communicating company policies in a way that creates "buy-in" from their staff and be open to employee input. Help create "ownership" in your employees. The companies with the best retention percentages are the same companies that are actively committed to retention. They know that it costs less to keep good people than to continuously have to replace unsatisfied employees and managers.

8. Recognition, in various forms, is a powerful retention strategy.

It does not have to cost a lot. US Dept. of Labor - 46% of people leave their jobs because they feel unappreciated.

9. Remember, the "Fun Factor" is very important to many employees.

Greg Peters, Past President and CEO of Mahi Networks in Petaluma, is one of many executives who reported that retention is often related to interpersonal

connections and amount of FUN in work teams. The FUN Factor is part of the generation of workers that use activities as stress management in highly charged production environments where long hours are required. Greg has encouraged Ping-Pong tournaments and basketball leagues for interpersonal interaction, fun, and stress management. Though not everyone can participate in physical activities, this sets the tone in a culture based on competition, health/well-being, and interactions that are inclusive beyond work.

10. Know the trends in benefit packages. Do your best to offer the ones your employees need.

Consider offering the best of the rest.

Myths about Employee Morale Prevent Companies from Achieving Retention Success

Despite years of research that point to far different solutions, many companies use the wrong tactics when trying to improve employee morale, satisfaction and retention. These myths prevail, in part, because businesses have used these methods, however wrong, for a very long time and have become used to trying the same ideas.

Myth #1: People most often leave a company for more pay.

Exit interviews, conducted to learn why people leave an organization, contain some of America's greatest fiction. People frequently say they're leaving for more money because it's the easiest reason to give. More often the causes leading to departure are related to issues that were unsatisfying in the job or the company.

Typical issues that cause dissatisfaction are company policies and procedures, quality of supervision, working conditions, relationship with the immediate supervisor and salary.

Yes, pay does matter. While research shows most people don't actually leave a job for more money, there are two important facts: Very-low-income workers will leave for more money because it's a survival issue. For the rest of workers, the issue of money actually is about fairness. People become dissatisfied with pay when they feel it is unfair within the company, within the industry or when pay doesn't seem to match the amount or type of work required.

To increase employee satisfaction and retention, companies make more gains by working to improve whether people feel a sense of achievement, recognition, competence

and growth, whether there are choices about how work gets done and whether employees feel respected by management..

Myth #2: Incentive programs produce long-term profits and improve productivity and morale.

So, who doesn't like free stuff? However, incentives such as gifts and cash bonuses for meeting speed and volume goals don't affect employee commitment. They're really a throwback to outdated management beliefs that workers must be coerced in order to work hard. All the extras don't add up to the real glue that creates employee commitment: the chance to learn and grow, meaningful work, good supervisors and respect and appreciation for a job well done.

Incentives have been over-used particularly in the past decade, as management books touted the importance of improving recognition of excellent work. Yet, studies show that carrot-and-stick motivation actually does not pay off in long-term company profitability or employee satisfaction or retention. To the contrary, incentives can harm quality when employees aim for speed or other goals rather than quality.

Myth # 3: People don't want more responsibility.

They don't want more work if they're already overloaded due to lean staffing; but people indeed want the opportunity to grow and develop their skills, advance their careers and have the opportunity for greater variety. Keep in mind what the research confirms: People do want to try new things, to feel skillful and to experience the personal satisfaction of higher levels of achievement.

People don't need a job promotion in order to gain more responsibility. The same job can be broadened to include more variety, more contact with different parts of the organization and greater control over decisions on accomplishing work tasks.

Myth #4: Loyalty is dead.

Not at all, though it is ailing in many organizations. People are seeking greater work-life balance than in the past, and employers have made great strides in providing more flexible hours and dress codes. Still, people seek to make a contribution, and organizations that provide healthy doses of the main satisfiers enjoy significantly lower turnover and higher morale. Profits are higher, too, according to recent research studies.

Things have changed, indeed. Today's workers will, in fact, change careers and jobs much more often. When the economy is good, people have become much more at ease in changing companies, are more likely to acquire new skills and move to companies that offer greater chance to use more of their knowledge and more willing to take the risks of starting anew at another organization.

What has emerged in current management studies are that the same qualities that hold employees are the ones that best serve the customers: Employees who can make quick

decisions on behalf of the customer and the company; employees who have a broader scope of responsibility that allows them some freedom and leverage to solve customer problems; learning opportunities that give employees the skillfulness to address customer issues; and supportive management and supervisors who use any mistakes that occur as teaching opportunities.

Myth #5: Improving employee satisfaction is expensive.

Research tells us the true satisfiers can't even be bought: career growth, meaningful work, respect and appreciation and being able to influence how work gets done. In these leaner times employers have the same opportunity to gain true loyalty despite lowered budgets.

The trinkets and prizes given in recognition and rewards programs aren't necessary ingredients for developing an engaged workforce. The "glue" that holds people is made of much different stuff: Management that listens and responds to employees' ideas about improving service, supervisors who support people's growth and initiative, training in how to do the job successfully, good relationships with coworkers and genuine appreciation for a job done well. There are no costs incurred to build or enhance these motivators.

Myth #6: Employee satisfaction is "fluff."

Does having engaged workers make a difference in the bottom line? Studies now show that lower turnover and greater levels of employee satisfaction have a definite positive impact on customer satisfaction and profitability, which are the key factors in company growth and sustainability. Consider these facts:

- A strong link was found in a study by PricewaterhouseCoopers between employee retention and the quality of service as rated by companies' customers.
- According to the American Society of Training & Development, organizations that invested the most in training had higher gross margins and income per employee.
- The cost of replacing an employee who leaves has been estimated by various studies to be between 70 and 200 percent of that worker's annual salary.
- The Council on Competitiveness found that a 10-percent increase in education has a more positive impact on productivity than a 10-percent increase in work hours.

The bottom line on the bottom line? Investing in people and using the most effective management practices increases profits.

Myth #7: Supervisors are the problem.

Many senior leaders express dismay about the quality and actions of their middle managers and front-line supervisors. The “blame game” is old, yet the solutions are strikingly similar to those required to build an engaged workforce.

In most organizations today, supervisors have more people reporting to them than in the past, more demanding customers than ever and greater amounts of change – all occurring at the same time. Yet, the amount of training provided to managers and supervisors in many organizations is minimal. More importantly, the amount of time that senior managers spend in dialogue with middle and line managers also is minimal.

Middle managers and supervisors can appear resistant to improvement efforts. However, the true failure exists in our understanding of their world, the challenges they face and the support they need in order to be successful.

Successful organizations seek to build teamwork between senior leaders and middle managers and line supervisors (which is a key ingredient in creating teamwork throughout the company).

Myth # 8: My company/industry/people are different!

Yes, every company is unique, and every industry has its own set of unusual challenges. However, a very costly mistake is made when we believe information from other sectors doesn't apply to us or our organization.

Retention research studies cross all industries, all types of work settings and in varied economic conditions. Still, the same results come up time and again. We build employee loyalty – and, indirectly, customer loyalty – through providing people with growth and learning opportunities, minimizing red tape, allowing people to think and make good choices, supporting middle managers and front-line supervisors and appreciating the efforts that people give to help our customers.

It's downright dangerous to ignore these findings – risky to the bottom line and the organization's future.

Barriers to Success

- ? Lack of support from management team.
- ? Inability to provide hard numbers.
- ? Company culture does not support change.
- ? Back lash from single workers.
- ? Failure of other programs due to low utilization.
- ? Managers do not view work/life initiatives as business tools that impact employee retention.

10 Factors That Affect Employee Retention

Most managers understand the importance of employee retention and its impact on the overall health and vitality of an organization. The importance of retaining top organizational talent will only increase over the coming years as the massive cohort of baby boomers begin to reach retirement age making it easy for younger employees to find work.

In a previous article we identified some useful tips to help improve employee retention in your organization. Given the importance of employee retention, we have compiled another list of 10 important factors that can affect employee retention in your organization.

- **Shorten the feedback loop –**

Do not wait for an annual performance evaluation to come due to give feedback on how an employee is performing. Most team members enjoy frequent feedback about how they are performing. Shortening the feedback loop will help to keep performance levels high and will reinforce positive behavior. Feedback does not necessarily need to be scheduled or highly structured; simply stopping by a team member's desk and letting them know they are doing a good job on a current project can do wonders for morale and help to increase retention.

- **Offer a competitive compensation package –**

Any team member wants to feel that he or she is being paid appropriately and fairly for the work he or she does. Be sure to research what other companies and organizations are offering in terms of salary and benefits. It is also important to research what the regional and national compensation averages are for that particular position. You can be sure that if your compensation package is not competitive, team members will find this out and look for employers who are willing to offer more competitive compensation packages.

- **Balance work and personal life –**

Family is incredibly important to team members. When work begins to put a significant strain on one's family no amount of money will keep an employee around. Stress the importance of balancing work and one's personal life. Small gestures such as allowing a team member to take an extended lunch once a week to watch his son's baseball game will likely be repaid with loyalty and extended employment with an organization.

- **Beware of burnout –**

Staff adequately to reduce the amount of unwanted overtime a team member must work. Some employees enjoy the extra money that accompanies overtime hours, while others would rather spend their time with their families or doing other activities they enjoy. Burnout can be a leading cause of turnover. Recognize the warning signs and give employees a break when they need it.

- **Provide opportunities for growth and development –**

Offer opportunities for team members to acquire new skills and knowledge useful to the organization. If an employee appears to be bored or burned out in a current position offer to train this individual in another facet of the organization where he or she would be a good fit. Nobody wants to feel stuck in their position with no possibility for advancement or new opportunities.

- **The ability to provide input and be taken seriously –**

Everybody has opinions and ideas, some are better than others. However every team member wants to feel that their input is welcome and will be taken seriously without ridicule or condescension. Some of the greatest ideas can come from the most unlikely of places and people. Creating a culture where input is welcome from all level of the organizational chart will help your organization grow and encourage employee retention.

- **Management must take the time to get to know team members –**

It's not a big surprise that one of the greatest complaints that employees express in exit interviews is a feeling that management didn't know they existed. Nobody wants to feel like just another spoke in a big wheel. Managers are very busy - everybody is busy, but it is crucial that managers and supervisors take the time get to know the team members who work under them. Learn and remember a team member's name, what skills and talents they bring to the table, and what their business interests are. The time spent by management getting to know team members is well invested and can eliminate the headaches caused by having to continually hire and re-train new employees.

- **Provide the tools and training an employee needs to succeed –**

Nothing can be more frustrating to an employee than a lack of training or the proper tools to successfully complete his or her duties. You wouldn't try to build a house without a hammer, so why should an office job be any different? Providing a team member with the tools and training she needs to be successful shows a commitment and investment in that employee and will encourage the team member to stay with the organization.

- **Make use of a team member's talents, skills, and abilities –**

All team members have knowledge, skills, and abilities that aren't directly related to their job description, but are still useful to an organization. Utilizing a team member's talents in areas other than their current position will indicate to an employee that management appreciates and recognizes all that an employee has to offer to the organization. This can also provide work variety and helps to break up the everyday grind of work.

- **Never threaten a team member's job or income –**

While threatening an employee with termination or demotion might seem like a surefire way to get the results needed from him or her, doing so will likely cause the employee to leave the organization. Put yourself in the employee's shoes, what is the first thing you would do if your job was threatened? Odds are you would probably update your resume and start checking for open job postings expecting the worst. If a team member's performance is not what you had hoped it would be, work with that team member on ways to improve his performance, saving termination only as a last resort.

Take some time and seriously evaluate what your organization is doing to encourage a high retention workforce. Having a seasoned and well trained workforce can deliver a competitive advantage that is difficult to replicate. The best part is most of your efforts to retain your employees come free or with little charge and offer huge returns on a manager's investment in time and resources.

At The Rainmaker Group we are committed to helping organizations achieve a high retention workforce where team members truly enjoy coming to work each day. We can help your organization develop the strategies and programs to make this happen. Give us a shout today; we'd love to hear from you!

REASON FOR EMPLOYEE TO COME TO THE ORGANISATION?

- Pay,
- Location,
- Benefits,
- Advancement Possibilities,
- Job Security,
- Nature Of Work,
- Personal/Family Time.

REASONS FOR EMPLOYEE TO STAY WITH THE ORGANISATION?

- Confidence Factor-they believe in potential success/leadership strategies
- Emotional Factor- (Huge) contribution, recognition, appreciation
- Trust Factor- 2 ways- promises/commitments kept (strong link to loyalty)
- Fit Factor- Values/ethics are a good fit
- Listening Factor- Are they heard and valued?

SOLUTION FOR THE PROBLEM

FINDING THE CAUSE OF ATTRITION

Have a survey among employees to find the reasons for attrition. If possible, have exit interviews to know the reasons for resignations. If a key employee resigns, it should be taken up on a priority basis and the senior management should meet the employee to discuss his reasons for leaving and evaluate whether his issues bear merit and whether they can be resolved. Steps can be taken to avoid similar reasons from occurring in the case of others, in similar positions.

What can be done?

Though, it is impossible to scrap problems totally, there are certain ways by which BPO managements can tackle attrition. Since the every organisation is unique, these companies need to develop innovative ways to tackle their problems. Human Resources department of companies must address these issues, and along with the management need to evolve strategies to retain employees at all levels.

At the time of Recruitment

- Select the right people through competency screening.
- Use psychometric tests to get people who can work at night and handle the monotony.
- Offer an attractive, competitive, benefits package.
- Make clear of performance enhanced incentives and other benefits. Keep these promises, later.
- BPOs can set up offices in smaller towns, or recruit from there, where opportunities are few.

At the office

- An employee's work must be communicated to him clearly and thoroughly. The details of the job, its importance, the way it should be done, maximum time that can be allotted to complete it etc., must be made clear. If there are changes to any of these, let the employee know at the earliest
- Give the employees necessary tools, time and training. The employee must have the tools, time and training necessary to do their job well - or they will move to an employer who provides them.
- Have a person to talk to each employee at regular intervals. Listen and solve employee complaints and problems, as much as possible. Fairness and impartial treatment by seniors is important. Help employees manage stress, both at work

and if possible, off work too. Give them special concessions, when in need. Treat the employees well & provide dignity of job.

- The quality of the supervision an employee receives is critical to employee retention. Frequent employee complaints arise on this issue.
- Provide the employees a stress free work environment. People want to enjoy their work. Make work and work place cheerful and fun-filled as possible.
- Make sure that employees know that their work is important for the organisation. Feeling valued by their employer is key to high employee motivation and morale. Recognize their strengths and help them to improve those they lack.
- Employees must feel rewarded, recognized and appreciated. Giving periodical raise in salary or position helps to retain staff.
- Offer excellent career growth prospects. Encourage & groom employees to take up higher positions/openings. If they don't get opportunity for growth within the organisation, they will look elsewhere for it.
- Work-life balance initiatives are important. Innovative and practical employee policies pertaining to flexible working hours and schemes, granting compassionate and urgency leave, providing healthcare for self, family and dependants, etc. are important for most people. Work-life balance policies would have a positive impact on retaining skilled employees, as well as on attracting high-caliber recruits.
- Implement competency models, which are well integrated, with HR processes like selection & recruitments, training, performance appraisal and potential appraisal.

Night shifts

1. Have doctors to advise them about health problems and the ways and means to deal with them. Provide dietary advice: - Dos and donts. Help them to maintain their health.
2. Organize programmes where people from other professions, who have night shifts talk to BPO employees about their experiences. Other organisations like Army, Railways, Hospitals and various government services etc., also have night shifts.
3. Organize training, counselling and development programmes for employees. Tell them that their work is important. Encourage the best performers to share their experiences with others and guide others. The emphasis is to create the desire to learn, enjoy and be passionate about the work they do.
4. If needed, provide special lights in the office/workplace to ensure that their bodies get sufficient vitamin D.

One distinct disadvantage of night shifts is the sense of disorientation with friends and family members. Concentrate on this problem and develop innovative solutions and ways to deal with it. Additional holidays for work on national holidays and festivals, holidays for family functions etc., can go a long way.

Employee Recognition Increases Retention

It seems that now more than ever employee recognition is limited at best in many organizations. Unfortunately many managers don't understand the importance of recognizing a team member's hard work and a job well done. Many might even ask why they should recognize their employees when they are "just doing their job."

The truth is that recognizing employees for their hard work is one of the least expensive and easiest ways to improve the level of employee retention in your organization. The return on investment for a manager's time and limited expenses can be incredible.

Recognizing an employee's performance reinforces positive behavior and encourages additional positive behavior. If a team member feels that he or she is appreciated they will be much more likely to repeat their behaviors in the future and even put out more effort than before. When a business leader understands the power of recognizing his or her employees the culture of an organization reacts to this recognition and moves in a positive direction helping to retain more employees.

Employee recognition can be as simple or as extravagant as one desire. The following is a short list of simple ways to recognize team members for a job well done and improve retention in your organization.

- A simple "thank you" or "nice job" given in regular frequency can significantly boost team morale. Often times a team member will greatly appreciate the time you spent to find him at his desk and deliver the message in person.
- Send a thank you card or e-card. Also photocopy the thank you and document the reason for the recognition in the employee's file. Let the employee know you did this - it will let her know that her hard work will not be forgotten.
- Movie tickets, gift certificates, or an engraved gift are excellent rewards for an employee who has excelled or put in the extra effort to make a project happen.
- Recognize the team member's contribution in front of members of management. This can reduce the tendency for employees to feel that their supervisors take all the credit for their hard work.
- Recognize loyalty and exceeding expectations. Mention the team member's hire anniversary, large contract won, or surpassing of a sales goal in the company newsletter or at a staff meeting.

- Know how to recognize your staff. Not all staff members want to be singled out at a gathering of hundreds of fellow team members, while for others it would make their week. The approach to recognizing team members can vary greatly by generational cohort. You might seriously embarrass a baby boomer by having them stand up in front a Group of their peers and discuss their recent success, while a Gen X-er will relish this opportunity.

Retention Strategies Help to Drive Revenue Growth

Employee satisfaction is essential to any effective employee retention strategy - any good HR manager knows that. However few managers think of the impact that employee satisfaction has on their customers and ultimately company profits. One can assume that happier, more productive employees will make more sales, treat customers better, and ultimately make more money for the company, but few companies have analyzed this assumption to the extent that Sears, Roebuck and Company has. Sears has put this common assumption to the numbers test and the results are intriguing to say the very least.

1992 was the worst year on record for Sears, losing almost 4 billion dollars on over 52 billion dollars in retail sales. The early and mid 1990s were truly trying times for the retail giant and tested the will and resolve of managers and employees alike. During this time the company was in near shambles, morale was low, revenues were suffering, and the bottom line was hemorrhaging red ink. This was in stark contrast to nearly a century of stellar results that Sears had comfortably enjoyed. For Sears, something needed to be done, and fast!

Sears began their turnaround by identifying three key objectives: Creating a compelling place to work, a compelling place to shop, and lastly creating a compelling place to invest. One of the tools used to establish these objectives was the employee-customer-profit chain. The employee-customer-profit chain is essentially a flow chart that diagrams revenue creation starting with employee attitudes and satisfaction, followed by its effect on customer satisfaction, and ultimately the effect on revenue and bottom line profit generation.

One thing Sears realized it needed to do was exert a greater effort focusing on the customer. This is often times easier said than done for many organizations. However Sears took an innovative approach to increasing customer focus. Based on the employee-customer-profit chain, it realized that it could not better focus on the customer without first focusing on its employees.

For Sears 70% of its workforce was part-time status and turnover among its part-time workforce had become alarmingly high. Sears suspected that low morale and poor employee attitudes towards the company were to blame. Sears began a rigorous process of measuring employee attitudes and satisfaction via a 70 question employee survey. The results of this survey were then juxtaposed to customer satisfaction surveys and ultimately compared to revenue and profit trends for the company. The correlations drawn from the data were greater than Sears could have ever imagined.

Undoubtedly Sears expected to see some positive correlation between employee and customer satisfaction and ultimately revenue and profit generation; however they were amazed to see just how great an impact employee satisfaction levels had on the bottom line. The data revealed that for each five point improvement on the employee attitude scale, there was a subsequent 1.3% improvement in customer satisfaction, and a 0.5% increase in revenue growth.

A 0.5% increase in revenue might sound miniscule, however when it is based on revenues of over 50 billion dollars it adds up quickly and significantly. For Sears this would equate to a 250 million dollar increase in revenues a year! This revenue increase does not require investments into advertising, new facilities, or improved operations, only an investment into the satisfaction and happiness of employees.

There are also cost savings that can be attributed to improved levels of employee satisfaction. It should come as no surprise that happy employees stay in their jobs longer than unhappy employees. By focusing on increasing employee satisfaction Sears was able to concurrently increase revenues and reduce the costs associated with employee turnover. Sears was also able to determine that employees with greater levels of satisfaction and a favorable attitude towards the company were more likely to speak positively about the company and recommend shopping there to friends and family members.

By increasing employee satisfaction Sears was able to generate free word of mouth advertising spread by its employees, thus in a way reducing the reliance on paid advertising to generate revenue. Sears realized the importance of its employees and their levels of satisfaction and made it a corporate goal to increase levels of employee satisfaction throughout the company.

Sears feels that employee satisfaction levels are so important to the company's health and vitality that it treats attitude and satisfaction numbers the same as "hard" financial numbers. Sears is so committed to these numbers that it has them audited by an accounting team to ensure validity and reliability just as it does with all of its internal financial measures.

For Sears its turnaround did not take place overnight. It took several years of hard work and dedication from managers and employees at all levels. Improving levels of employee satisfaction was not the sole contributing factor to Sears' remarkable turnaround. However it is fair to assume that without the focus on the employee as a base to better focus on the customer the turnaround at Sears would not have been as quick or amazing as it was.

As business leaders we should all pay careful attention to the approach that Sears took to improving its bottom line. The urge to drastically cut costs through outsourcing, layoffs, reducing benefits, and streamlining operations might well be overly complex solutions to a relatively simple problem. In lieu of cost cutting initiatives to preserve profit margins, a customer focused approach might be a better solution. As we can learn from Sears focusing on the customer ultimately begins by focusing on the employees who serve the customer. Give it a shot, your employees, your customers, and ultimately your shareholders will thank you for it!

Study Suggests Employees Leave Bosses, Not Jobs

Careful selection of employees and managers can have a huge impact on your employee retention efforts and employee turnover costs at your organization.

It has been said more than once, and for good reason, that employees leave their bosses - not their jobs. A Florida State University study scheduled for full release in the Fall 2007 issue of Leadership Quarterly confirms this. The study shows that 40% of employees work for bad bosses based on survey results. The reasons that employers score poorly are varied and many:

- 39% of workers said their supervisor failed to keep promises.
- 37% indicated their supervisor failed to give credit when due.
- 31% said their supervisor gave them the "silent treatment" during the past year.
- 27% report their supervisor made negative comments about them to other employees or managers.
- 24% indicated their boss invaded their privacy.
- 23% said their supervisor blamed other to cover up personal mistakes or minimize embarrassment.

So what does this all boil down to? The effects of having bad bosses in your organization can be devastating. High turnover, poor employee morale, employee theft, diminished customer service, substandard employee performance, lower production, and an organizational culture of fear and mistrust can all be blamed in part on poor bosses and managers.

The costs of having poor managers and bosses can be incredible. Consider the cost of employee turnover, which is different for all industries and positions, but has been roughly estimated at \$15,000 - \$17,000 per employee in low to moderately skilled positions. Having a manager who drives potentially valuable employees from your organization can have a huge impact on your bottom line, and your customers.

Employee Retention Strategies for Reducing Employee Turnover Costs

At The Rainmaker Group we are committed to helping your organization Maximize Possibility by identifying and retaining top performers to achieve a high retention and high performance workforce.

We understand that time is money to your organization. Every minute of every day that your employee retention problems persist your organization is losing valuable time, energy, and resources.

With the use of the powerful tools at our disposal, our employee retention experts will get to know your team and organizational culture better than you ever could have imagined. By doing so we can get down to the real causes of employee turnover in your organization and develop an employee retention program that is right for your team.

Our employee retention programs deliver results - we guarantee it!

Our clients always see a sizable return on investment in the form of improved profitability, reduced employee turnover, and enhanced employee morale.

Stop unwanted employee turnover dead in its tracks and get back to doing what you do best: growing and leading your organization.

SOME EXAMPLES OF NEW AGE HR PRACTICES

LG COMPANIES RETENTION POLICIES:

To retain employees it is very important to give them a feeling of belongingness in the company. For this they conduct many activities like:

1. There's a weekly meeting of every dept where the employees are asked what their expectations are from the company to make the atmosphere and climate joyful.
2. After every 15 days one day **FUN TRIP** is conducted (within 50-70 Kms) from the company. Places like Essel world, Lonavla, Alibagh Beach, Matheran Hill Station etc where the employee can have fun and relax from their regular work. The destination of the fun trip is decided by the employee themselves. The expense is held by the company.
3. Every Employee is given a Laptop, Mobile (Rs 500 card free every month) or Landline Phone free.
4. **"MY DAY"**- Every week the employee can have 2 "my days", i.e. for two days a week they can have their own time away from office after 1.30 pm.
5. **Annual Day** – The annual day is on 24th dec. Every employee gets a gift voucher, Lunch at some good hotel and a fun tour to Essel world or water Kingdom etc.
6. Annually they also have interdepartmental matches like Cricket Matches, Volleyball Matches etc to improve team building and feeling of belongingness.

7. **Culture:** On every Indian festival there's a big celebration.
 - a. Ex: On Sank rant they have a "**BHARTIYA JEVAN**". They fly colourful kites and have competition between the employees.
 - b. Ex: On Diwali they enjoy sweets and crackers with traditional dresses.

8. **Departmental Lunch:** Everyday one dept have lunch together. Each and every member of the that Dept eat and drink together. This helps in improving the team spirit and the feeling of belongingness in the dept.

9. Employee of the week- **AWARD:**
 - a. Every week one worker is honoured based on the performance of the worker. This improves their moral and encourages them to work hard for the coming week.

 - b. Every month one employee is honoured as Employee of the Month

 - c. Annually one employee is honoured as Employee of the year.

Their names are declared on the Notice board and company magazine which encourages others also to work better.

10. New employees joining the company are given a **training** of 8-10 days. The training consists of induction and orientation program along with a 2 day trip. This is a good ice breaking session and helps them to know their colleague. The last two days training is conducted in the actual job site.

11. **Higher education**: If any employee wishes for higher education the company sends the employee to South Korea for training and encourages them to study hard.

12. **Car** is provided to the entire manager and above. The petrol expense are taken care by the company.

13. Annually every employee gets a 5 days paid leave.

14. The company provides the facility of all indoor games along with a Swimming pool for the refreshment of the employee.

Ex. Table Tennis, Chess, Badminton, Snooker, etc.

15. Quarterly the MD does performance appraisal of every LINE and checks which line has achieved production as per expectation or more than that. All the members of the line are gifted and their names are displayed in their annual magazine. This encourages the Line members to work hard and efficiently.

The Tesco campus at Whitefield in Bangalore also houses a learning centre where employees can register themselves for a retail certification course from no less than the Indian Institute of Management (IIM), Bangalore. “We have also done away with the probation period because we are in the business of training people,” says Venkatesh.

BPO SECTOR INDUSTRY

Business process outsourcing

Business process outsourcing (BPO) is a broad term referring to outsourcing in all fields. A BPO differentiates itself by either putting in new technology or applying existing technology in a new way to improve a process.

Business Process Outsourcing (BPO) is the delegation of one or more IT-intensive business processes to an external provider that in turn owns, administers and manages the selected process based on defined and measurable performance criteria. Business Process Outsourcing (BPO) is one of the fastest growing segments of the Information Technology Enabled Services (ITES) industry.

Few of the motivation factors as to why BPO is gaining ground are:

- Factor Cost Advantage
- Economy of Scale
- Business Risk Mitigation
- Superior Competency
- Utilization Improvement

Generally outsourcing can be defined as - *An organization entering into a contract with another organization to operate and manage one or more of its business processes.*

When there are so many benefits associated with BPO industry.... when there are so many privileges for the BPO employees than what makes them to change the company/industry?? Is it only MONEY that matters or anything else as well?? After taking exit-interviews and analyzing the trend I am able to list out following reasons for a BPO professional to change his/her job.

- No growth opportunity/lack of promotion
- For higher Salary
- For Higher education
- Misguidance by the company
- Policies and procedures are not conducive
- No personal life
- Physical strains
- Uneasy relationship with peers or managers

In an industry like BPO, the work can often be monotonous and opportunities for career growth minimal. So when opportunities beckon, the high rate of attrition is not surprising. However, there are some common reasons that especially cause people to leave. Surveys have listed night shifts, money, inability to handle various types of stress, monotonous work; company policies, lack of career growth, problems with those in senior positions etc., as some of the most common reasons listed by BPO employees, as reasons for quitting jobs.

WIPRO

About the company

Wipro BPO is uniquely positioned to service customer requirements by leveraging its tenets of quality and innovation, the best people talent, self sustaining process framework and domain knowledge. We offer customized service offerings; translating into the most flexible and cost effective services of the highest quality for our customers.

In 2002, Wipro took a quantum jump in the BPO services by acquiring the then Spectra mind. Wipro BPO Solutions complements the services offered by Wipro Technologies, making it one of the largest BPO service players.

With over 19,000 people, operating out of 9 different locations (India and Eastern Europe), Wipro BPO has been a critical partner to all its customers in achieving their business goals. Wipro BPO services customers in various industries including Banking & Capital Markets, Insurance, Travel & Hospitality, Hi-Tech Manufacturing, Telecom & Healthcare sectors. Wipro BPO also has deep expertise in delivering process specific solutions in areas like Finance & Accounting, Procurement, HR Services, Loyalty Services and Knowledge Services.

Wipro BPO Solutions Ltd is India's leading third party offshore BPO (Business Process Outsourcing) provider with a full spectrum of BPO services. The Company Headquarters are located in New Delhi, with six state-of-the-art facilities in Mumbai, Pune, Chennai & Kolkata and global offices in US, UK and Canada. Wipro BPO provides a broad range of services from customer relationship management, back office transaction processing to industry specific solutions. The key element of services delivery is an integrated approach towards providing increasing value over the entire course of our client relationships. This involves a phased approach towards process standardization, process optimization and process re-engineering.

ANALYSIS AND BRIEF STUDY OF THE COMPANY

Different Types of Services Being Offered By WIPRO (bpo)

1. Customer Support Services

Our customer service offerings create a virtual customer service center to manage customer concerns and queries through multiple channels including voice, e-mail and chat on a 24/7 and 365 days basis.

Service Example: Customers calling to check on their order status, customers calling to check for information on products and services, customers calling to verify their account status, customers calling to check their reservation status etc.

2. Technical Support Services

Our technical support offerings include round-the-clock technical support and problem resolution for OEM customers and computer hardware, software, peripherals and Internet infrastructure manufacturing companies. These include installation and product support, up & running support, troubleshooting and Usage support.

Service Example: Customers calling to resolve a problem with their home PC, customers calling to understand how to dial up to their ISP, customers calling with a problem with their software or hardware.

3. Telemarketing Services

Our telesales and telemarketing outsourcing services target interaction with potential customers for 'prospecting' like either for generating interest in products and services, or to up-sell / promote and cross sell to an existing customer base or to complete the sales process online.

Service Example: Outbound calling to sell wireless services for a telecom provider, outbound calling to retail households to sell leisure holidays, outbound calling to existing customers to sell a new rate card for a mobile service provider or outbound calling to sell credit or debit cards etc.

4. Employee IT Help-desk Services

Our employee IT help-desk services provide technical problem resolution and support for corporate employees.

Service Example: of this service include level 1 and 2 multi-channel support across a wide range of shrink wrapped and LOB applications, system problem resolutions related to desktop, notebooks, OS, connectivity etc., office productivity tools support including browsers and mail, new service requests, IT

operational issues, product usage queries, routing specific requests to designated contacts and remote diagnostics etc.

5. Insurance Processing

Our insurance processing services provide specialized solutions to the insurance sector and support critical business processes applicable to the industry right from new business acquisition to policy maintenance to claims processing.

Service Example:

New Business / Promotion:

Inbound/outbound sales, Initial Setup, Case Management, Underwriting, Risk assessment, Policy issuance etc.

Policy Maintenance / Management:

Record Changes like Name, Beneficiary, Nominee, Address; Collateral verification, Surrender Audits Accounts Receivable, Accounting, Claim Overpayment, Customer care service via voice/email etc.

6. Data Entry Services / Data Processing Services

Service Example:

- Data entry from Paper/Books with highest accuracy and fast turn around time (TAT)
- Data entry from Image file in any format
- Business Transaction Data entry like sales / purchase / payroll.
- Data entry of E-Books / Electronic Books
- Data Entry : Yellow Pages / White Pages Keying
- Data Entry and compilation from Web site
- Data Capture / Collection
- Business Card Data Entry into any Format
- Data Entry from hardcopy/Printed Material into text or required format
- Data Entry into Software Program and application
- Receipt and Bill Data Entry
- Catalog Data Entry.
- Data Entry for Mailing List/Mailing Label.
- Manuscripting typing in to word
- Taped Transcription in to word.
- Copy, Paste, Editing, Sorting, Indexing Data into required format etc.

7. Data Conversion Services

Service Example:

- Conversion of data across various databases on different platforms
- Data Conversion via Input / Output for various media.
- Data Conversion for databases, word processors, spreadsheets, and many other standard and custom-made software packages as per requirement.
- Conversion from Page maker to PDF format.
- Conversion from Ms-Word to HTML format
- Conversion from Text to Word Perfect.
- Conversion from Text to Word to HTML and Acrobat
- Convert Raw Data into required MS Office formats.
- Text to PDF and PDF to Word / Text / Doc
- Data Compilation in PDF from Several Sources.
- E-Book Conversion etc.

8. Scanning, OCR with Editing & Indexing Services

Service Example:

- High speed Image-Scanning and Data capture services

- High speed large volume scanning
- OCR Data From Scanned page / image
- Scan & OCR paper Book in to CD.
- ADOBE PDF Conversion Services.
- Conversion from paper or e-file to various formats

9. Book Keeping and Accounting Services

Service Example:

- General Ledger
- Accounts Receivables and Accounts Payable
- Financial Statements
- Bank Reconciliation
- Assets / Equipment Ledgers etc.

10. Form Processing Services:

Service Example:

- Insurance claim form
- Medical Form / Medical billing
- Online Form Processing
- Payrol Processing etc.

11. Internet / Online / Web Research

Service Example:

- Internet Search, Product Research, Market Research, Survey, Analysis.
- Web and Mailing list research etc.

Challenges for a HR Professional in BPO

1. Brand equity: People still consider BPO to be "low brow", thus making it difficult to attract the best talent.
2. Standard pre-job training: Again, due to the wide variety of the jobs, lack of general clarity on skill sets, etc, there is no standard curriculum, which could be designed and followed.
3. Benchmarks: There are hardly any benchmarks for compensation and benefits, performance or HR policies. Everyone is charting their own course.
4. Customer-companies tend to demand better results from outsourcing partners than what they could actually expect from their own departments. "When the job is being done 10,000 miles away, demands on parameters such as quality, turn around timeliness, information security, business continuity and disaster recovery, etc, are far higher than at home. So, how to be more efficient than the original?"
5. Lack of focused training and certifications given this background, the recruiting and compensation challenges of HR departments are only understandable.

Why people prefer to join WIPRO

In general a person with any graduation can join any of the BPO. Some BPO's like to take people with MBA but then again the specialization are of an individual hardly makes any difference. Again, this is the industry; where there is no reference checks and very often people don't even specify there exact age. Lets me share with you some of the reasons as why people prefer to join a company:

- Not get a better job.
- Find nothing better to do.
- Education level doesn't matter.
- Good work environment.
- Good Benefits.
- Flexibility of time.
- Attractive life style.
- Transport facility.

Why people leave the WIPRO

When there are so many benefits associated with BPO industry. when there are so many privileges for the BPO employees than what makes them to change the company/industry?? Is it only MONEY that matters or anything else as well?? Here are some of the reasons for a BPO professional to change his/her job.

1. No growth opportunity/lack of promotion
2. For higher Salary
3. For Higher education
4. Misguidance by the company
5. Policies and procedures are not conducive
6. No personal life
7. Physical strains
8. Uneasy relationship with peers or managers

Wipro BPO FOR HR practices

Wipro Spectra mind has been awarded the NHRDN (National HRD Network) Trailblazers Award 2004, during the International NHRD Conference 2004, hosted in Bangalore. The award was

conferred in the category of academic institutions, corporations and voluntary organizations that have created new paths and directions for others to emulate.

According to a press release, NHRDN has specifically recognized Wipro Spectra mind for its performance orientation that has become central to the company culture. The performance management system at the company is aligned to both, the business goals and values adherence.

The company values/ operating principles are broken down into behavioral indicators that are observed and measured on a regular basis, which in turn linked to the personal effectiveness parameters in an individual's performance review. There is also an ongoing emphasis on training needs assessment and people development.

Wipro Spectra mind was also noted for its innovative practices in the areas of attracting the right talent, reward and recognition, promoting fun as a written down operating principle, learning, employee communication and compensation which are amongst the key reasons for the spectacular success of the company.

EMPLOYEE BENEFITS PROVIDED BY THE COMPANY.

A part from the legal and mandatory benefits such as provident-fund and gratuity, below is a list of other benefits...:

1. **Group Medi-claim Insurance Scheme:** This insurance scheme is to provide adequate insurance coverage of employees for expenses related to hospitalization

due to illness, disease or injury or pregnancy in case of female employees or spouse of male employees. All employees and their dependent family members are eligible. Dependent family members include spouse, non-earning parents and children above three months

2. **Personal Accident Insurance Scheme:** This scheme is to provide adequate insurance coverage for Hospitalization expenses arising out of injuries sustained in an accident. This covers total / partial disablement / death due to accident and due to accidents.
3. **Subsidized Food and Transportation:** The organizations provide transportation facility to all the employees from home till office at subsidized rates. The lunch provided is also subsidized.
4. **Company Leased Accommodation:** Some of the companies provides shared accommodation for all the out station employees, in fact some of the BPO companies also undertakes to pay electricity/water bills as well as the Society charges for the shared accommodation. The purpose is to provide to the employees to lead a more comfortable work life balance.
5. **Recreation, Cafeteria, ATM and Concierge facilities:** The recreation facilities include pool tables, chess tables and coffee bars. Companies also have well equipped gyms, personal trainers and showers at facilities.
6. **Corporate Credit Card:** The main purpose of the corporate credit card is enable the timely and efficient payment of official expenses which the employees

undertake for purposes such as travel related expenses like Hotel bills, Air tickets etc

7. **Cellular Phone / Laptop:** Cellular phone and / or Laptop are provided to the employees on the basis of business need. The employee is responsible for the maintenance and safeguarding of the asset.
8. **Personal Health Care (Regular medical check-ups):** Some of the BPO'S provides the facility for extensive health check-up. For employees with above 40 years of age, the medical check-up can be done once a year.
9. **Loans:** Many BPO companies provide loan facility on three different occasions: Employees are provided with financial assistance in case of a medical emergency. Employees are also provided with financial assistance at the time of their wedding. And, the new recruits are provided with interest free loans to assist them in their initial settlement at the work location.
10. **Educational Benefits:** Many BPO companies have this policy to develop the personality and knowledge level of their employees and hence reimburses the expenses incurred towards tuition fees, examination fees, and purchase of books subject, for pursuing MBA, and/or other management qualification at India's top most Business Schools.
11. **Performance based incentives:** In many BPO companies they have plans for, performance based incentive scheme. The parameters for calculation are process performance i.e. speed, accuracy and productivity of each process. The Pay for Performance can be as much as 22% of the salary.

12. **Flexi-time:** The main objective of the flextime policy is to provide opportunity to employees to work with flexible work schedules and set out conditions for availing this provision. Flexible work schedules are initiated by employees and approved by management to meet business commitments while supporting employee personal life needs .The factors on which Flexi time is allowed to an employee include: Child or Parent care, Health situation, Maternity, Formal education program
13. **Flexible Salary Benefits:** Its main objective is to provide flexibility to the employees to plan a tax-effective compensation structure by balancing the monthly net income, yearly benefits and income tax payable. It is applicable of all the employees of the organization. The Salary consists of Basic, DA and Conveyance Allowance. The Flexible Benefit Plan consists of: House Rent Allowance, Leave Travel Assistance, Medical Reimbursement, Special Allowance
14. **Regular Get together and other cultural programs:** The companies organizes cultural program as and when possible but most of the times, once in a quarter, in which all the employees are given an opportunity to display their talents in dramatics, singing, acting, dancing etc. Apart from that the organizations also conduct various sports programs such as Cricket, football, etc and regularly play matches with the teams of other organizations and colleges.
15. **Wedding Day Gift:** Employee is given a gift voucher of Rs. 2000/- to Rs. 7000/- based on their level in the organization.

16. Employee Referral Scheme: In several companies employee referral scheme is implemented to encourage employees to refer friends and relatives for employment in the organization.

17. Employee Stock Option Plan:

INDIAN SCENARIO OF CURRENT EMPLOYEE RETENTION

OBSERVATIONS AND FINDINGS

- Is your Company Facing the problem of attrition? Since how long?
 - A) Yes, but the problem of attrition becomes serious from last 3 years.

- What's your organization attrition rate?
 - A) Its 15%

- Have you done employee satisfaction survey? What are the findings?
 - A) Yes, we found that our employees are happy with the company

- According to your survey what are the reasons for attrition?
 - A) Competitors, better salaries,

- Does the company face with the problem of poaching?
 - A) Not much, we have policies to reduce poaching

- How does u motivate your employees?
 - A) With Concept better growth, personal development through training

- Which level of the organizational hierarchy results in leaving their jobs due to various reasons??
 - A) Middle Level

- What is your company's attrition rate?
Which method of calculating employee turnover do u use?
 - A) $\frac{\text{No of the employees in the beginning of year}}{\text{no of employees in the closing year}} * 100$

- After various initiatives that the company has used, do you think that the attrition rate has come down?
 - A) Yes, if you take correct steps, you can reduce the attrition.

- Any incident u would like to share concerned with retention?
 - A) Yes, we convinced senior employee to take back his resignation

➤ Who is the one who has the responsibility to retain the employee? IS that the Hr manager or some other?

A) Both HR and concerned Business Head

➤ Is there a different sub dept in HR for retention?

A) As such we don't have

➤ What is your company doing to improve retention?

A) Career Development, Reward & Recognition,

➤ Which employee benefits are provided by majority of the bpo companies?

A) Night Shift allowances, conveyance allowances, food coupons, incentives.
transportation

➤ Some new HR retention policies of your Company?

A)

➤ What is the employee turnover rate of your company?

A)

RECOMMENDATIONS

CONCLUSIONS

BIBLIOGRAPHY

COMPANY VISITED

Wipro BPO

Spectra 2nd, 3rd Floor

Spectra Building

Hiranandani Gardens

Powai, Mumbai - 400 076

ANNEXURES

QUESTIONNAIRE

- Is your Company Facing the problem of attrition? Since how long?
- What's your organization attrition rate?
- Have you done employee satisfaction survey? What are the findings?
- According to your survey what are the reasons for attrition?

- How do u cope with attrition?
- What are your retention strategies?
- What is your company success rate in retaining employees?
- What are the HR suggestions to Top Management to reduce attrition?
- What are the steps taken by Ur top management to reduce attrition?
- What are the difficulties you face to retain your employees?
- Does the company face wid the problem of poaching?
- How does u motivate your employees?
- Which level of the organizational hierarchy results in leaving their jobs due to various reasons??
- What is ur company's attrition rate?
Which method of calculating employee turnover do u use?
- After various initiatives that the company has used, do you think that the attrition rate has come down?
- Any incident u wud like to share concerned with retention?
- Who is the one who has the responsibility to retain the employee? IS that the Hr manager or some other?
- Is there a different sub dept in HR for retention?
- What is your company doing to improve retention?
- Which employee benefits are provided by majority of the bpo companies?
- Some new HR retention policies of Ur Company?
- What is the employee turnover rate of ur company?

