A REVIEW PAPER ON RETENTION STRATEGIES OF BPO EMPLOYEES

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ABSTRACT:
Retention strategies for BPO employees include providing competitive compensation and benefits, promoting a positive work-life balance, fostering a culture of open communication and recognition, and offering opportunities for professional development and growth. Additionally, implementing regular employee satisfaction surveys and addressing any concerns or issues that arise can also help with employee retention. BPOs should also focus on creating a positive and engaging work environment, as well as providing opportunities for career progression. Regular feedback and coaching can also be beneficial in retaining employees. It's important for BPOs to continually evaluate and adjust their retention strategies as needed to ensure they are effectively retaining their valuable employees.

Key Words: Employee Retention, Strategies of Employee Retention

INTRODUCTION:
The term "employee retention" refers to an organization's capacity to keep hold of its current workforce. It is also possible to term it a process in which the resources of an organisation are motivated and encouraged to remain employed by the organisation for an extended length of time for the purpose of ensuring the company's continued viability.

The ultimate goal of employee retention is to increase happiness among all stakeholders, which includes both the company and the workers. It makes it easier for dedicated personnel to remain with the firm for a longer period of time, which in turn will benefit both the shareholders and the employees. The retention of employees is not only a problem that can be solved by keeping records and compiling reports. It is entirely dependent on the manner in which the employers comprehend the numerous problems of the workers and the manner in which they assist the workers in resolving their issues when they are in need. Every company devotes resources, including time and money, to the process of training new workers and preparing them for work in the business world. If such workers depart the company after they have completed all of their training, it will be a total loss for the business.

When individuals quit their jobs after having received their entire training, it is a complete and total loss for the firm. The process of retaining employees takes into consideration the many different steps that are performed to ensure that a worker remains with a company for the longest possible amount of time.

According to research, the majority of workers quit a company because they are dissatisfied with their work and have a difficult time getting along with their superiors or other members of the team. A poor income, an absence of opportunities for advancement, and a lack of enthusiasm might often force an employee to hunt for other employment. The management team has a duty to make every effort to keep those workers on board who are very valuable to the overall operation and have a track record of making valuable contributions.

OBJECTIVES OF THE STUDY:
1. To study about the employee retention in the BPO organization
2. To examine 3R's of the employees in the BPO organization.
3. To identify retention strategies in BPO organizations

SIGNIFICANCE OF THE STUDY

Retaining employees is not the same thing as managing retention. It is about being able to manage other people. If a business does a good job of managing its people, retaining those employees will take care of itself. People want to work for a company that recognises and appreciates their efforts, gives many possibilities, and treats them with respect. An atmosphere that is welcoming and cooperative, as well as giving workers the impression that the company is a second home for them. The business has made the maintenance of its workforce a primary focus of its efforts.

Theoretical Background:

An company will gain from the process of staff retention in the following ways:

1. The Cost of Turnover: The cost of personnel turnover drives up a company's expenditures by hundreds of thousands of dollars. Although it is difficult to completely evaluate the cost of turnover (including recruiting expenses, training costs, and productivity loss), industry experts often use a conservative estimate of 25% of the average employee wage.

2. Loss of Company Knowledge: When an employee departs, he or she leaves behind important information about the business, clients, ongoing projects, and earlier times (sometimes to competitors). Frequently, a lot of time and money has been invested in the employee with the hope of a future return. The investment is lost when the employee departs.

3. Disruption of customer service: Part of why customers and clients choose a firm is the people. Relationships are built that support the business's continuing sponsorship. When an employee quits, the connections they developed for the business are broken, which may result in a possible loss of customers.

4. Employee turnover causes greater turnover: When an employee leaves the company, it has an impact on the whole business. It is often necessary for coworkers to take up the slack. For the surviving employees, the silent negativity often becomes stronger. Company goodwill: When attrition rates are low, a company's goodwill is preserved. Increased retention rates encourage prospective workers to work for the company.

5. Regaining efficiency: When a person leaves, a significant amount of time is spent in recruiting and training a replacement, which results in a direct loss to the business that often goes undetected. You still cannot guarantee that the new employee will work as efficiently as before. What Causes Workers to Leave? Employees don't often depart a company without a good cause.

There are certain circumstances that lead to their leaving the organization. The most common reasons can be:

a)   **Job is not what the employee expected to be:** Sometimes the job responsibilities don't come out to be same as expected by the candidates. Unexpected job responsibilities lead to job dissatisfaction.

b)   **Job and person mismatch:** A candidate may be fit to do a certain type of job which matches his personality. If he is given a job which mismatches his personality, then he won't be able to perform it well and will try to find out reasons to leave the job.

c)   **No growth opportunities:** No or less learning and growth opportunities in the current job will make candidate's job and career stagnant.

d)   **Lack of appreciation:** If the work is not appreciated by the supervisor, the employee feels demotivated and loses interest in job.

e)   **Lack of trust and support in co workers, seniors and management:** Trust is the most important factor that is required for an individual to stay in the job. Non-supportive coworkers, seniors and management can make office environment unfriendly and difficult to work in.

f) **Stress from overwork and work life imbalance:** Job stress can lead to work life imbalance which ultimately many times lead to employee leaving the organization.

g) Compensation: Better compensation packages being offered by other companies may attract employees towards themselves.

h) New job offer: An attractive job offer which an employee thinks is good for him with respect to job responsibility, compensation, growth and learning etc. can lead an employee to leave the organization.

The task of managing employees can be understood as a three stage process:

1. Identify cost of employee turnover
2. Understand why employees leave
3. Implement retention strategies

The organizations should start with identifying the employee turnover rates within a particular time period and benchmark it with the competitor organizations. This will help in assessing the whether the employee retention rates are healthy in the company. Secondly, the cost of employee turnover can be calculated. According to a survey, on an average, attrition costs companies 18 month salary for each manager or professional who leaves, and 6months' pay for each hourly employee who leaves. This amounts to major organizational and financial stress, considering that one out of every three employees plans to leave his or her job in the next two years.

Hytter (2007) explained that there are some factors such as personal premises of loyalty, trust, commitment, and identification and attachment with the organization have a direct influence on employee retention and workplace factors such as rewards, leadership style, career opportunities, the training and development of skills, physical working conditions, and the balance between professional and personal life have an indirect influence.

Garg & Rastogi (2006) explained that in today's competitive environment feedback is very essential for organization.

Retention Involves Five Basic Things

Environment: A motivated employee wants to contribute to work areas outside of his specific job description.

Ramlall (2003) stressed that a suitable work environment is the need of an employee in an organization as it will encourage commitment.

Nelson(2006), explained in his study that job satisfaction is priceless, incomparable and invaluable. Hopeless employees negatively upsetting the desire level of work. A little amount of employees which are satisfied with their work not only affect the performance but also the work environment affects the performance of employees and performance of organization.

Growth: Growth is an integral part of every individual's career. If an employee cannot foresee his path of career development in his current organization, there are chances that he'll leave the organization as soon as he gets an opportunity.

Grossman, J.(2002) stressed that Work growth is the effect of employee performance in the organization as well as the result of organizational provenance provided to employees by organization. The Growth and productivity is the ultimate result of employee behavior such as performance, retention, satisfaction of employees.

Compensation: Compensation constitutes the largest part of the retention process. The employees always have high expectations regarding their compensation packages. Compensation includes: Salary and Wages, Bonus, Health Insurance, after retirement benefits.

Davies, Taylor, & Savery (2001) Compensation to top workers is given by every organization but very few organizations uses it strategically. They said that "Salary and benefits policies are not being used strategically, within the organization to improve morale, reduce turnover, and achieve targets within

an establishment". In a research it was concluded that although compensation was not one of the top factors influencing non- management turnover but compensation can act as a critical factor in reducing managerial turnover and increasing commitment.

Relationship: Sometimes the relationship with the management and the peers become the reason for an employee to leave the organization. The management is often not able to provide an employee a supportive work culture and environment in terms of personnel and professional relationships. A supportive work culture helps grow employees professionally and boosts employee's satisfaction. There are times when an employee starts feeling bitterness towards the management or peers, which leads to less satisfaction and eventually attrition.

Armstrong (2003) Employee relations consist of all those areas of human resource management that deals with employees directly and through collective agreements where trade unions are recognised. The union practices for the welfare and good working condition of the employees. Employee relations are concerned with generally managing the relationship between employer and employees at the workplace that can be formal e.g. contract of employment or procedural agreement.

Support: Employees today are asking for a work place that helps them balance the demands of their work and family lives, rather than forcing them to one over the other. Schemes like: Special schemes for their children, Scholarship, Medical benefits, Training etc

William Kahn(1993) "The harnessing of organisation members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances." Employee engagement with the definition: "an employee's involvement with, commitment to, and satisfaction with work. Employee engagement is a part of employee retention."

Three R's of Retention:

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.

Agarwal (1998) gave an explanation to the term reward as something that the organization offers to the employees in response of the work as well as performance and something which is desired by the employees.

EMPLOYEE RETENTION STRATEGIES:
The basic practices which should be kept in mind in the employee retention strategies are:

1. Hire the right people in the first place.
2. Empower the employees. Give the employees the authority to get things done.
3. Make employees realize that they are the most valuable asset of the organization.
4. Have faith in them, trust and respect them.
5. Provide them information and knowledge.
6. Keep providing them feedback on their performance.
7. Recognize and appreciate their achievements.
8. Keep their morale high.
9. Create an environment where the employees want to work and have fun.

People want to enjoy their work so make work fun and enjoyable. Understand that employees need to balance life and work so offer flexible starting times and core hours. Provide 360 feedback surveys and other questionnaires to foster open communication. Consider allowing anonymous surveys occasionally so employees will be more honest and candid with their opinions. Provide opportunities within the company for career progression and cross-training. Offer attractive, competitive benefits.

CONCLUSION:

Retention strategies for BPO (Business Process Outsourcing) employees include providing competitive compensation and benefits, promoting a positive work-life balance, fostering a culture of open communication and recognition, and offering opportunities for professional development and growth. Additionally, implementing regular employee satisfaction surveys and addressing any concerns or issues that arise can also help with employee retention. BPOs should also focus on creating a positive and engaging work environment, as well as providing opportunities for career progression. Regular feedback and coaching can also be beneficial in retaining employees. It's important for BPOs to continually evaluate and adjust their retention strategies as needed to ensure they are effectively retaining their valuable employees.

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