



Promotion for juniors is strategy to check attrition at BPOs

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HYDERABAD: Business process outsourcing (BPO) companies have formulated a new hiring strategy to beat attrition: Promoting entry-level employees by the droves. Featuring in this list are Convergys, Zenta and 24/7 Customer, among others.

While BPOs claim that the strategy could give employees growth opportunities in the organisation, industry experts caution that it can work to the company's advantage only in the short term, as attrition in BPOs is linked mainly to salaries. "This is an attractive strategy. But it needs to be bundled with on-the-job attractions to avoid boredom. If not, it may not work in the long run as the employees may end up doing the same work even after they are promoted," said Adecco (India & Middle East) CEO Sudhakar Balakrishnan.

24/7 Customer, for instance, last year promoted about 50% of its employees at the entry level. "Our aim is to mould future leaders within the organisation. Every employee has to go through vigorous training and learning process to be eligible to bag the growth opportunity," said 24/7 Customer vice president-HR Nina Nair.

Industry estimates suggest that the attrition rate in a voice-based BPO is over 50% and 20-30% in a non-voice BPO. 24/7 Customer has about 6,500 employees and 85% of its process are voice-based. The company's attrition rate is about 20-22%, which is much less than the industry average. "To be evaluated for promotion, an employee has to complete a year in our organisation. The growth opportunities given to them have helped us bring down the attrition. Last year, we evaluated 540 employees at the entry level and 50% of them were promoted," she said.

Zenta, another BPO engaged in high-end real estate finance services, has about 4,500 employees across Mumbai and Chennai and about 300 in the US. "Last year, on an average, we promoted 25% of our employees. Out of those promoted, 14% have moved into roles that let them manage and lead small teams. This is part of our strategy to provide maximum growth opportunities to our employees. In a way, it helps us control attrition.

In fact, we have employees who have risen from entry-level positions to vice presidents in five years," said Zenta country manager Jaswinder Ghumman.

Convergys, which employs about 13,000 people in India, also follows the ethos of promoting from within and providing training programmes to groom future leaders. "A number of employees who started with us as agents now hold senior management positions within the company including Birgit Neumann, our vice president (operations) for India," said Convergys-India vice president-HR Tim Huiting. Last year, the company promoted 20% of its 10,000 employees at the entry level in India.

According to Mr Sudhakar, companies across industries promote entry-levels depending on their contribution, potential and growth. "It is, however, not typically used as a retention strategy alone, unlike in BPOs, which face high attrition at that level," he said.

If promotions are solely used to control attrition, output quality is most likely to suffer. "So, companies should also focus on training in order to ensure quality," he added.