

**BANKING**

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People power – Why managing the challenge of attrition is critical to the booming offshoring industry in India

Fast growth in India across multiple sectors, combined with the necessity to differentiate through the provision of world-class services, is resulting in a fierce war for talent throughout the Indian sub-continent. As a result, many organisations are facing the challenges associated with high staff attrition. On a basic level, failure to manage this challenge can result in escalating costs for recruitment, selection and training. But perhaps more importantly, the drain on corporate intellectual capital resulting from a high volume of exiting staff can also impact the consistency and integrity of the services organisations are able to provide.



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Background

In India between 40 and 50% of the 1.12 billion population are below 25 years of age. With Indian universities generating a stream of c.2.2 million graduates each year, the issue currently facing India's growing industries is less about workforce supply, than about securing the calibre of talent required to meet the standards expected by today's global businesses.

Most Indian organisations are fishing the same talent pool as they look for qualified, skilled individuals, with good language abilities. But what distinguishes really great candidates from the merely 'good', is demonstrable passion, commitment and staying power – less tangible candidate attributes that are nonetheless critical in sustaining organisational growth.

Quality candidates with a demonstrable track record can have their pick of the roles on offer. This is leading to high staff churn rates. In statistics quoted in The Hindu in July 2008 the annual attrition rate across India's industries is between 20-30% per annum. BFSI players (Banking and Financial Services Industry) are most acutely affected, with rates as high as 44% p/a, whilst the BPO sector also suffers with a rate of 35% p/a in non-voice services, with rates for voice related services escalating up to 75-100% p/a.

Key issues/challenges

Organisations recognising that credibility and differentiation must be earned, understand that the stability of the workforce will form a foundation upon which long-term success is built. These companies must look beyond the financial, to the emotional and psychological drivers for employee loyalty and reward, in order to build the enduring connections between the organisation and the individual and thereby prevent churn.

A recent publication by Global Talent Metrics, who researched over 5,000 Indian employees over a 12 month period, suggested that 'who pays most wins' is not the case in India. Four factors are named as central to addressing the challenge of limiting attrition in the booming Indian economy, with pay only ranked as the fourth highest driver:

1. The employer's ability to offer a clear career path for developing employees
2. Good relationships with and recognition from supervisors
3. Opportunities for personal growth
4. Competitive rates of pay

In addition the research suggests that pressure is on Indian organisations to create a holistic, well-rounded and meritocratic employment experience that will encourage candidates to stay, thus protecting their intellectual capital, proprietary knowledge and overall levels of client satisfaction.

Williams Lea in India

Williams Lea currently has operations in Cochin, Chennai, Bangalore and Mumbai. Staff numbers exceed 1,000 and are growing rapidly, ahead of the industry average, whilst attrition rates run at an impressively low 16-20%. In a competitive marketplace, getting hygiene factors right for employees is a must. Williams Lea offers competitive remuneration via a quartile management system that rewards high performers towards the top end of the market. The business also offers excellent training and development, great working environments and shift patterns that promote work/life balance. At Williams Lea over 95% of the workforce follows a five day working week, with no shifts exceeding eight hours per day.

But going beyond the basics, the formula for effective talent retention must ensure that the organisational values and those of the individual are in sync. This relies on robust recruitment processes and a strong set of corporate values that are regularly and consistently communicated and evidenced.

Aditya Sharma, Managing Director – India, explains how his team ensures the culture is conducive to retention. "Our managers and supervisors have a passion for feedback and a commitment to building the trust amongst colleagues that enables ideas and improvements to be driven to implementation. We are also totally committed to a de-centralised and thoroughly empowered management structure that utilises both formal and informal networks within the business to drive improvement initiatives. It means that all of our teams feel involved and valued in the development of our business – and it seems to be working! Our clients experience the benefit that comes from continuity of employment, first hand."

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