

# Keeping Call Center Employees Happy: Human Capital Retention in BPOs

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In India, call centers make up a key ingredient in the industry sector known as Business Process Outsourcing, or BPO. For many of India's youth, call center positions are highly prized for their pay, given that a typical call center employee earns significantly higher income than the national per capita income. Career opportunities and pleasant working conditions also sweeten the deal. Current estimates put the number of call center employees around 350,000, a sizeable block of Indian human capital.

Recently, competition among firms for talented call center employees has noticeably increased. While there are many reasons for this, including the increase of BPOs in the marketplace driving up talent demand, it's a hard job with potentially grueling hours; and some view it as a dead end. The bottom line is that organizations with BPO units in India will need to pay closer attention to selecting the best candidates and then retaining them over time.

Readers of the last article in our *Eye on Asia* series may recall that, within Asia, there are several common drivers of employee engagement and that engagement is highly correlated with retention. In general, the most potent drivers included:

- Feeling valued by one's organization
- Having a sense that the organization will be around for the long-haul/trust in leadership
- Effective communication (up, down and laterally)
- Career development and/or training opportunities
- A good relationship with co-workers and one's manager

Given the growing battle for retaining highly qualified talent in India call centers, it is important to understand:

- Factors that contribute to retention
- Whether call center employees' engagement is driven by different factors than the profile of engagement typically demonstrated in Asian countries

To answer these questions, we utilized the Kenexa Research Institute's WorkTrends™ database. This database is fueled by the WorkTrends survey, which is sent perennially to a sample of randomly selected, full-time workers in countries across the globe.

## What Makes Call Center Employees Stay?

This research looked at the statistical relationship between call center employees' turnover intentions and other workplace factors that may contribute to employees' intentions to stay or leave—results that suggested actions that BPO employers could take to improve their talent retention.

Through the WorkTrends database, Kenexa has determined that the most predictive (i.e., most potent predictors) drivers of turnover intentions can be collapsed to six key factors:

- Career opportunities and employees' confidence in the future
- The job itself
- Customer orientation
- Pay and benefits
- Senior leadership and organizational mission
- Diversity and ethical behavior

When BPO organizations are performing well in these six areas, call center employees are more likely to be engaged and stay at their organization. To identify areas for improvement, we need to compare the relative strengths and weaknesses of these important retention drivers.

With regard to the drivers of retention, Indian call centers appear to be doing particularly well in several areas: customer orientation, job satisfaction and ethical leadership behavior. Although slightly low, but still strong, employees believe their organization allows all types of employees, regardless of ethnicity, gender or religious differences, to excel. This is good news for call centers because doing well in these areas should contribute to retention of key talent.

### The Unique Needs of Call Center Employees

It's always important to keep context in mind; a further review of the data provides additional insight. For example, a review of the Indian call center employees' ratings—when compared to other (non-call center) employees—looks quite positive because across most of the survey items, call center employees rated their levels of satisfaction higher. However, some areas do not look quite as rosy, relatively speaking. In particular, there was less of a difference in comparison to other employees with regard to:

- Confidence in the future
- Senior management's commitment to quality
- Satisfaction with pay
- Corporate social responsibility

These are the areas where call centers are less positive than other industries in India. As such, they represent unique opportunities for improvement for the call center industry.

### Retaining Call Center Workers

These data support what is often reported in the press—the grass really is greener for BPO employees. In general, the data for Indian call center employees show a consistent positive trend on the key drivers of retention compared to other (non-call center) Indian workers. In general, this is good news for the employees themselves because it suggests a positive workplace atmosphere. It also reflects well on many BPO organizations' current practices. The downside, of course, is that with these consistently high scores, differentiating one call center from another becomes more difficult and competition for talent more challenging.

So how can call centers compete for talent in India? We think there are at least three important take-aways from this research. First, for those who must compete with other call centers for talent, it is critical to do well on the common drivers of retention, including providing career development opportunities and building confidence in the future. Failure to do so puts your organization at risk for further talent loss. However, while career development emerged as a key driver of retention, the reality is that vertical movement within call centers is likely to be somewhat limited. To avoid surprises, call centers must set early realistic expectations about what is and is not possible. Lateral career moves are also commonly used by organizations that provide minimal career growth as this is seen as a change in job responsibility and improving one's skills. Some organizations also use job rotation and project rotation as tools to engage employees.

Second, relative comparisons matter. In general, call centers fare quite well compared to other industries in India, but there are several areas where they do not, such as confidence in the organization's future. Attention to these "unique" drivers should help call centers avoid the potential talent loss to other industries.

Third, organizations can maximize the likelihood of call center employee retention by selecting employees who are motivated by the benefits of working in a call center. In the past, call centers have not been particularly selective with new candidates. Therefore, a greater emphasis on pre-employment assessment using sound psychometric instruments can help ensure that new hires are more likely to fit the profile of those that tend to stay at their organization.

### Summary

In general, employers that attend to these six drivers will find it easier to attract and retain their talent than employers who fail to pay attention. To win the war for talent against other BPOs, call center leaders should focus on communicating the organization's role in supporting society, their overall mission and senior leadership's commitment to quality. Career development plans for employees will strengthen employee satisfaction and retention. It would behoove BPO HR to work to benchmark their pay against other regional BPOs during the applicant processing, highlighting other areas of internal brand strength.

If we compare call centers to non-BPO organizations in India, BPOs would be well served to enhance employee's confidence in the organization, as well as their own future, and to communicate a commitment to quality. Similarly, satisfaction with pay among call center employees is the lowest rated area for Indian call center employees, although rated higher by call center workers than employees in other industries.

Finally, call center and other employees rated the ability of an organization's corporate social responsibility to increase overall employee satisfaction similarly. Perhaps this is an opportunity for employers in the future if they can find a way to leverage socially responsible actions. Given the younger, more educated demographics of BPO employees, this may become a powerful tool for organizations if they figure out how to properly leverage perceptions of corporate responsibility. ■

### About the Authors

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Kyle Lundby, Ph.D., is director and lead consultant for the Asia Pacific region of Kenexa. He has more than 12 years of experience working with organizations in the private and public sector on all phases of employee and customer stakeholder measurement and consulting. In his role as lead consultant, Lundby provides critical support to clients and helps expand Kenexa's capabilities in the Asia Pacific region. Before joining Kenexa, Lundby served in executive consulting roles at Gantz Wiley Research and Questar, and was director for consumer and technology research at Data Recognition Corporation.

Dr. Lundby is a frequent presenter at conferences and has published numerous journal articles and book chapters on employee engagement, linkage research and methodologies to demonstrate the return on investment of HR initiatives. He holds a Doctorate degree in organizational psychology from the University of Tennessee and a Master degree from San Diego State University.

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Brenda Kowske, Ph.D., is a research consultant for the Kenexa Research Institute. Dr. Kowske specializes in conducting valid and reliable research that informs talent decisions to improve overall organizational performance. Throughout her career in leadership and research consulting, she has successfully tailored online survey processes for strategic decision-making and workforce insight; created valid performance measurement systems and metrics that differentiate employees, and conducted talent analytics for compensation, promotion and development decisions.

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