

"Assessment Pulse from the Careersindia team brings to you the happenings in the assessment space which are of high relevance."



Assessment Pulse from the Careersindia team brings to you the happenings in the assessment space which are of high relevance. We welcome your feedback and are ready to incorporate need-based changes in the content, format and frequency. Happy reading.

- [Employee Retention – Cover Story](#)
- [HR – Industry Research Initiative](#)
- [New Product Release – Exit Pulse](#)

## ERM – A Systematic and an Analytical Approach

In an age of highly competitive talent engagement, more and more companies appreciate that their most precious asset is the existing talent base. This evolution has resulted in an increase in attention to **employee retention management**. The financial value of employee retention is widely accepted.



"Employee attrition could eat up to 40% of an organization's profits."

'According to a research by Accenture, on an average, employee attrition costs companies 18 months' salary for each manager or professional who leaves, and 6 months' pay for each hourly employee who leaves. Attrition has surged by more than 25% over the past five years, and unemployment and joblessness rates remain quite low.

... Tekara Organizational Effectiveness Inc.

With recruitment becoming more complex and users becoming more sophisticated, the need for **periodic checks on attrition** is growing. Many international companies have **structured third party support** and have found them to be a **significant revenue generator**. Because of such support, organisations are retaining the highly skilled, motivated, able to learn and willing employees to lead their companies in providing world-class service.

According to experts, the cost of attrition is 1.5 times the annual salary.

With attrition rates ranging between 30-60 % in the BPO industry, HR specialists feel that a **scientific and analytical approach** should be implemented.

Attrition in voice processes is higher than the non voice processes.



"The NASSCOM ITES-BPO forum has identified HR as one of the key challenges of the industry. To arrest a steady increase in attrition rates, companies can look into various options like good rewards, bonding programs, flexible working hours and stronger career paths.

The tremendous turnover rate is undeniably one of the main problems faced by the industry globally. Pay cheques alone are not enough to retain employees. Management also needs to consider other aspects like secure career, benefits, perks and communication.

The **attrition battle could be won by focusing on retention**, making work a fun place, having education and ongoing learning for the workforce and treating applicants and employees in the same way as one treats customers. Over the past several years, recruitment has been a pressure zone in most service organisations. For many BPO companies – HR cost is what differentiates them from the competition."

### Attrition news in the recent past

...staff attrition, rather than pricing pressure, is ... **biggest challenge** this year.  
*Computer Business Review, UK - Sept 20th 2006*

...**the (engineering) industry** is facing an average attrition rate of 25 per cent now, compared to five per cent about five years ago.  
*Business Standard, India - Sept 21st 2006*

...After **information technology (IT)**, the **pharmaceuticals industry** is grappling with the highest level of attrition. The fast growing knowledge-based sector suffers an **annual attrition rate of 30 to 35**  
*Business Standard, India – Aug 20th 2006*

..In India, the average attrition rate in the BPO sector is approximately **30-35 percent**....  
*BPO India.org*



"Retaining human resource, especially on whom much has been spent to hone their skills, is a headache for not only IT companies but also other firms. Job satisfaction is something that varies from individual to individual.

Job satisfaction and employee loyalty are better in companies that allow their staff the freedom to unleash their creativity and never fail to appreciate a job well done. Too much of interference and bossing stifles growth and creativity. Finding themselves baulked at every turn, the motivation levels of employees plunges and they look for the exit. An atmosphere of distrust too could lead to employee attrition. It would also not be wholly correct to surmise that long hours of work are a disincentive, as in most sectors, including IT and call centres, those who sign up know what they are in for.

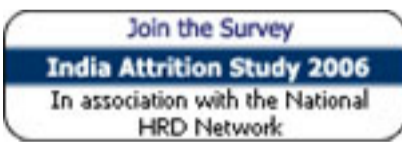
It is in the institution's interest to provide a congenial atmosphere and take initiatives that would keep the workforce morale high. Contentment and job satisfaction certainly matter more than fat pay packets and perquisites though with the usual exceptions."

...The HINDU Business Line 2006

## Some of the rewards of Successful ERM

- Reduces the need for seeking new and potentially risky employees.
- Enhances the company's focus on its performers through effective engagement measures.
- Creates a pool of loyal, trained and productive employees
- Induces positive word-of-mouth new employee referrals
- Reduces Recruitment effort which is significantly more expensive and time consuming than initiating employee retention methods.
- Helps reduce 'Early bucket attrition' by identifying performers

After implementing ERM, attrition will no longer be viewed as a loss but rather as an opportunity cost due to reduced productivity and also due to an increased need for attracting new employees as replacements.



## HR – Industry Research Initiative



**National HRD Network, Chennai Chapter** along with **Careersindia** as its Knowledge Partner is currently undertaking a nation wide attrition survey. The study is designed to collate and analyze the HR community's perception on attrition, to identify and understand causative factors for attrition and also get insights into the current practices being deployed by HR professionals to combat and manage attrition effectively.

If your organisation is interested in taking part in the current survey [click here...](#)

"Exit Pulse – an online assessment service that collates and analyzes reasons for employee attrition."

## Careersindia New Product Releases

**ExitPulse:** As an extension to our pre employment assessment process, the Research team at Careersindia has developed Exit Pulse - An online assessment service to support its client understanding of the causes and trends of attrition within the organization which can lead to the formulation of effective strategies to manage attrition.



### Features:

- Online with continuous monitoring capability
- Monthly / Quarterly reporting
- Automatic Report Generation
- Industry-wide trends and benchmarking

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We value your feedback. [click here](#) to let us have your suggestions for improving Assessment Pulse and making it more useful.

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