

A Study on Attrition Level of High Potential Talent in a Indian Telecom Company

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ABSTRACT

The Indian telecommunications industry is one of the most fleeting and thriving business in the world. The vast and ever promising potential of the sector has been a catalyst to engage newer players in the industry thus culminating in growth of competition, hence the chances of switching jobs between different companies has become a common phenomena thus increasing the attrition levels. This paper attempts to study the attrition level of High Potential Talent of a leading company in the Telecom Sector. It also highlights the process of recognition of High Potential Talent (HiPo) and the levels of attrition that exist and a few suggestive measures which can improve the situation.

Keywords----- Talent, Retention, attrition, High Potential, Competency

I. INTRODUCTION

Telecom industry of India is the second largest emerging economies of Asia and third largest in whole world. Today, telecom sector of India is the fastest growing market in the world. Indian telecom industry has provided a robust thrust to the economic growth of country. Government procedures and regulatory structures implemented by Telecom Regulatory Authority of India (TRAI) have provided favorable conditions for service providers. This has turned the sector more ambitious, while augmenting the convenience of telecommunication services at affordable charges to the consumers. Liberal policies of the Government that provide easy market access for telecom equipment and a fair regulatory framework for offering telecom services to the Indian consumers at affordable prices has facilitated the rapid growth to Indian Telecom industry. While competition lets players pay more to hire talent and retain them, industry observers say non-monetary issues are also likely to

impact attrition. With company strategies focused on providing more for less to clients, employees were expected to put in more time and effort. The Jan-Mar 2015 quarter saw a drop of about 4 per cent in online hiring activity, shows TimesJobs.com RecruiteX data, in contrast, there was a 6 per cent increase in hiring in the Jan-Mar 2014 quarter last year, while the figure was 8 per cent in the Oct-Dec 2013 quarter.

II. ABOUT THE ORGANISATION

The study is conducted in a leading telecom company of India. For anonymity, Company X is used instead of the actual name. Company X is listed on the National Stock Exchange and the Bombay Stock Exchange, it is India's leading integrated telecommunication company with over 80 million customers. The business encompasses a complete range of telecom services covering mobile and fixed line telephony. It includes broadband, national and international long distance services and data services along with an exhaustive range of value-added services and applications.

III. OBJECTIVES AND METHODOLOGY OF THE STUDY

- To identify the high performers in the Direct Sales team (DST).
- To explore and analyze the dimensions of attrition of DST (Direct Sales team) employees based on secondary data collected.
- To study the attrition level of the HiPo Talent

The study is confined to the data collected from DST department of Company X, Kolkata. The sample size is restricted to high potential employees only. Moreover, only selected facets of job characteristics have been

considered for the study. There are many which can be included in order to assess employee motivation. Therefore the scope of the study is limited to the geographical location.

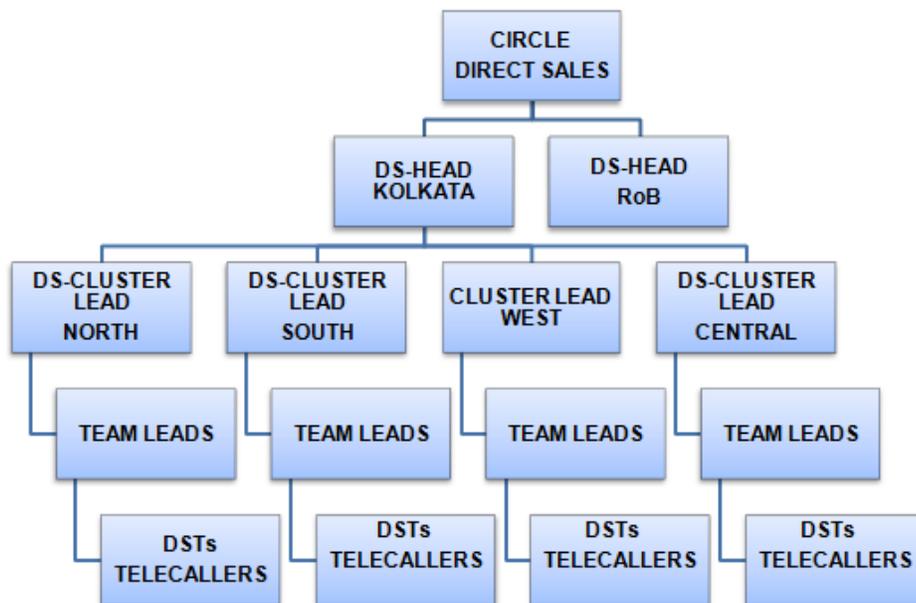
Both descriptive research and exploratory research design was used. Cold calling was done to determine the exact reasons for attrition and a survey design was used to obtain the required information. The questionnaire was intricately designed to tap the levels of satisfaction of the respondents. A sample size of 37 was chosen for this study of attrition level .

IV. FINDINGS AND ANALYSIS

The Direct Sales Team at Company X is a team of Direct Sales personnel who are recruited & are on the payroll of Company X HR services. This team is responsible for selling various products of Company X to the market after being exposed to all the required training at Company X.

The people who go out on the field are usually referred to as DSTs. These teams function for particular circles (for e.g. Kolkata, Orissa etc.). The sample selected for this project was from DST-Kolkata.

Fig 1: ORGANIZATION STRUCTURE OF DIRECT SALES TEAM



Source – Company records

4.1 IDENTIFICATION OF A HIGH POTENTIAL TALENT

A set of five competencies were fixed after extensive observational research which were critical for

the Direct sales team to move up to the next level. The desired competencies were defined suitably and the behaviors for each were ascertained in Table 2

Table 2 Desired Competencies

Competencies	Definitions
Communication skills	The ability to convey information to another effectively through proper verbal, non-verbal and written communication skills.
Negotiation skills	The ability to discuss and bargain on issues in an effective manner so as to come down to a 'win-win' situation for all the parties involved.
Domain knowledge	Sound knowledge about the business, the organization, the competitors. Thorough knowledge and understanding of the product and service in focus with regard to its functions, features, applications, support. Capable to answer any objection raised on the product.
Business etiquette	Ability to adapt oneself to the changing business environment. Includes proper manners for meeting or greeting others, what to wear, basic etiquettes.
Customer Focus	Focus on customer's understanding and involvement, ability to handle customer objections effectively.

Communication Skills

- Ability to convey information effectively through suitable verbal communication (fluency, pronunciation, clarity)
- Appropriate usage of non-verbal communication (facial expressions, gestures, voice modulations)
- Patience to listen and be empathetic towards the other party.
- Ability to write effective mails, proposals and other client related communication.

Negotiation Skills

- Negotiates in a calm manner and tries to make the ambience stress free for a smooth process
- Tries to improve the relationship with parties or atleast tries not to damage it
- Drives a win-win situation for both the parties rather than just victory for self.
- Effectively strikes the desired deal

Domain Expertise

- Sound knowledge about the business and industry
- Sound knowledge about the organization and its competitors
- Thorough knowledge and understanding of the product or service
- Well informed about the alternate products and after sale services i.e. competition knowledge

Business Etiquettes

- Appropriate style of meeting and greeting others
- Formal attire worn in business meetings or client interactions
- Project a positive professional image of self and company
- Conduct confidently in business and social occasions

Customer Focus

- Empathetic towards customer needs
- Handles customer objections and queries effectively
- Tries to have friendly relations with customers
- Gathers relevant info to uncover latent needs.

4.2 ATTRITION LEVEL OF HIPO

Attrition is the reduction in the number of employees or participants that occurs when people leave because they resign, retire, etc. This type of reduction in staff is one way a company can decrease labor costs: the company simply waits for its employees to leave and freezes hiring. Such a method contrasts the more severe labor-reduction techniques, such as mass layoffs.

Sample size of 37 was taken for the analysis of attrition percentage on monthly basis from November 2013 to April 2014.

Fig. 2 TOTAL NUMBER OF EMPLOYEES

CircleWise Total number of Employees					
North East & Assam		Bihar & Jharkhand		West Bengal	
MONTH	DST	MONTH	DST	MONTH	DST
Nov '13	50	Nov '13	86	Nov '13	51
Dec '13	54	Dec '13	90	Dec '13	58
Jan '14	57	Jan '14	94	Jan '14	59
Feb '14	60	Feb '14	96	Feb '14	58
Mar '14	67	Mar '14	90	Mar '14	50
Apr '14	68	Apr '14	96	Apr '14	51
Kolkata		Orissa			
MONTH	DST	MONTH	DST		
Nov '13	111	Nov '13	62		
Dec '13	123	Dec '13	58		
Jan '14	120	Jan '14	55		
Feb '14	122	Feb '14	60		
Mar '14	121	Mar '14	51		
Apr '14	120	Apr '14	47		

Fig 3 below shows the number of employees of different region of Direct Sales Team. According to the figure, it is visible that there were many number of

reduction of employees as well as there were many number of recruitments too in different regions.

Fig. 3 ATTRITION NUMBER FOR EACH REGION

Assam & North East	DST Attrition Number	Bihar & Jharkhand	DST Attrition Number	West Bengal	DST Attrition Number
50	2	86	2	51	3
54	1	90	0	58	2
57	1	94	0	59	1
60	1	96	1	58	1
67	2	90	2	50	2
68	1	96	1	51	0
Kolkata	DST Attrition Number	Orissa	DST Attrition Number		
111	2	62	0		
123	1	58	1		
120	1	55	1		
122	2	60	0		
121	2	51	1		
120	1	47	2		

Fig 4 shows the number of reduction of high potential talents of each region of Direct Sales Team. Maximum of two high potential employees have left the organization in each region except in West Bengal which has the highest number of reduction of three employees in

the month of November 2013. Where as in few regions like in Bihar and Jharkhand (in December 2013 & January 2014), West Bengal (in April 2014) and Orissa (in November 2013 & February 2014) there was no reduction of high potential employees.

Fig 5 CIRCLE WISE CALCULATION

CIRCLE	Nov '13	Dec '13	Jan '14	Feb '14	Mar '14	Apr '14	TOTAL
Kolkata	2	1	1	2	2	1	9
West Bengal	3	2	1	1	2	0	9
Assam & North East	2	1	1	1	2	1	8
Orissa	0	1	1	0	1	2	5
Bihar & Jharkhand	2	0	0	1	2	1	6
Grand Total	9	5	4	5	9	5	37

Fig 6 shows circle wise calculation of the total number of reduction of employees in last six months. From the figure it can be easily identified that most number of

reduction of employees were in Kolkata and West Bengal followed by Assam & North East.

Fig 6 MONTHLY AVERAGE CALCULATION

CIRCLE	Nov '13	Dec '13	Jan '14	Feb '14	Mar '14	Apr '14	Avg /PM
Kolkata	2%	1%	1%	2%	2%	1%	1%
West Bengal	6%	3%	2%	2%	4%	0%	3%
Assam & North East	4%	2%	2%	2%	3%	1%	2%
Orissa	0%	2%	2%	0%	2%	4%	2%
Bihar & Jharkhand	2%	0%	0%	1%	2%	1%	1%
Grand Total	3%	2%	1%	1%	3%	2%	2%

Fig 7 shows the attrition rate of each month. Formula to calculate monthly attrition is

Attrition rate = (Total separation during the month / Total Strength on last month end) * 100

Fig.7 1MONTHLY AVERAGE CALCULATION

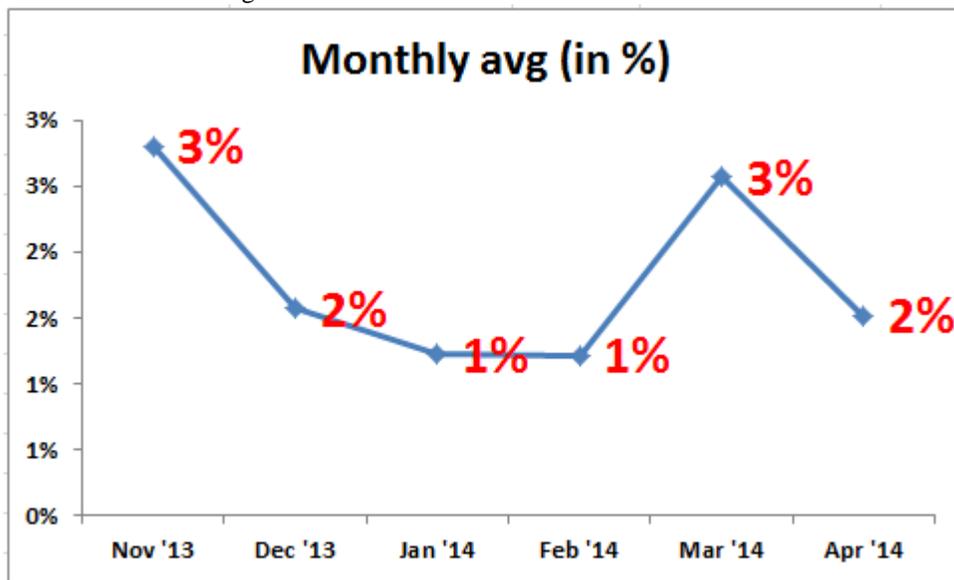


Fig 7 shows the average attrition rate of each month. November 2013 and March 2014 shows the highest number of reduction. There was a downward trend after

November 2013 till February 2014. After February 2014 there was again an upward trend of reduction of high

potential employees. But after March 2014, it has again declined in April 2014.

Fig.8 shows the actual reason for their exit. As only the high potential employees are considered, there were no involuntary reasons for their exit. Better job

profile and better salary are the main issues for their exit. According to the figure, there were maximum number of reduction of high potential employees in the month of November 2013 and March 2014.

Fig.8 EXIT ANALYSIS CALCULATION

	Reason	Actual Reason	Nov '13	Dec '13	Jan '14	Feb '14	Mar '14	Apr '14	Grand Total
	Involuntary		Organization Restructuring	0	0	0	0	0	0
		Encourage to leave							
		Performance Issue	0	0	0	0	0	0	0
		PIP case	PIP case	0	0	0	0	0	0
Involuntary Total			0	0	0	0	0	0	0
	Reason	Actual Reason	Nov '13	Dec '13	Jan '14	Feb '14	Mar '14	Apr '14	Grand Total
		Better Job Profile	0	0	0	1	0	0	1
Voluntary		Better Job Profile & Salary	0	1	3	3	0	5	12
		Better Oppurtunity	6	2	0	1	8	0	17
			Industry Change	1	0	0	0	0	1
			Own Business	0	0	0	0	0	0
		Government Services	Government Job	1	0	0	0	0	1
		Higher Studies	Higher Studies	0	1	0	0	1	2
		Personal	Family Problem	0	1	0	0	0	1
			Locational Issues	0	0	1	0	0	1
		Medical Ground	1	0	0	0	0	1	
Voluntary Total			9	5	4	5	9	5	37

Fig 9 TENURE WISE CALCULATION

	Tenure	Nov '13	Dec '13	Jan '14	Feb '14	Mar '14	Apr '14	Grand Total
	Involuntary	0 to 6 months	0	0	0	0	0	0
6 to 12 months		0	0	0	0	0	0	0
1 to 2 years		0	0	0	0	0	0	0
2 to 3 years		0	0	0	0	0	0	0
3 to 5 years		0	0	0	0	0	0	0
5 years and above		0	0	0	0	0	0	0
TOTAL			0	0	0	0	0	0
Voluntary	0 to 6 months	0	0	0	0	0	0	0
	6 to 12 months	2	0	2	1	1	1	7
	1 to 2 years	2	5	2	2	4	3	7
	2 to 3 years	2	0	0	2	1	0	5
	3 to 5 years	1	0	0	0	2	1	4
	5 years and above	2	0	0	0	1	0	3
	TOTAL		9	5	4	5	9	5
GRAND TOTAL		9	5	4	5	9	5	37

Fig.9 shows the number of people left according to tenure basis. Mostly the high potential employees with 6 months to 12 months and 1 to 2 years of experience have left the organization.

The attrition rate was found to be around 1% to 3% on a monthly average. November 2013 in West Bengal the attrition rate was very high i.e of 6%.

V. CONCLUSION AND DISCUSSION

Human resources are the only source of long term competitive advantage for any business organization. It plays a key role in helping companies deal with a fast-changing competitive environment. Thus Human Resource Management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets. Human Resource Management involves five major areas: staffing, retention, development, adjustment and managing change. Together they compose the HRM system, for they describe a network of interrelated components. However, rising business competition has led to high attrition rates in many sectors and retaining the employees is proving to be a herculean task for most organizations in the modern era of globalization and competitive business.

Any organizations success and growth depends on employees. It is an effort that has to be maintained by a business to maintain a working environment which supports current staff in remaining with the company. Many employee retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff.

The challenge of creating a dynamic, enthusiastic, motivated front line environment is an opportunity in disguise for organizations. Organizations need employees who are committed, flexible, and ready to participate in decision making. Retaining such employees in the organizations is becoming imperative in today's competitive environment.

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