



TAPMI

NURTURING WEALTH CREATOR SERIES

MBA as a Retention Strategy for the BPO industry

by Madhuchhanda Das Aundhe

In recent times, B-schools find themselves being requested by organisations in the BPO sector - "Could you conduct a dedicated MBA program for our employees over the next couple of years?" The driver for this request appears to be the high employee attrition rate and organisations have not been thinking of retention beyond a two-year time frame. The number of participants that they talk about could vary anywhere from 30 to 300.

Attrition is one of the long continuing concerns of the BPO sector. Organisations address this concern in several ways. One such measure is sponsorship of employees for an MBA programme. The premise is that an MBA degree is perceived as synonymous to fast track growth in the corporate sector. Hence, an individual being sponsored will not let go of this opportunity of future growth, and will continue with the organisation, at least till the end of the course.

MBA sponsorship as a retention strategy, however, has not yielded the outcome that was expected of it. The HR department of BPOs have been quick in drawing up lists of nominees for the sponsored MBA programs, but the attrition figures among these sponsored students remain almost unchanged, and in a few cases, have even increased. Business schools offering such Executive Education programmes, in turn, have requests from participants - "Can we continue in the course, after we quit our current organisation?" This shows that MBA as a programme, has its value for employees beyond their current organisation. In this scenario, how can outsourcing organisations leverage it for retaining employees?

* The first pre-requisite for an organisation which wants a long-term commitment from its employees is to be able to have a long-term plan itself. An MBA sponsorship without a growth plan is like gifting somebody a car, when he cannot see a driveway. More often than not, he will not know what to do with the car. Hence, he will not hesitate to give up the car and go elsewhere. If he can wait, he will use the car to go elsewhere. The bottom-line is he will go elsewhere.

* The MBA sponsorship should not be an HR initiative alone. Ownership of the cause by the participant himself with adequate buy-in from operations, would be able to kindle the right kind of enthusiasm. In fact, HR should be considered as just the facilitator of the exercise.

* The candidature for a programme also will have only a limited value in the perception of the participants unless they are made to earn it. Hence, raising entry barriers would give participants a sense of achievement, and also some commitment towards the organisation that enables him/her to pursue this programme.

* Awards and recognition from the parent organisation, on completion of certain programme milestones would help in making the MBA programme an essential part of the individual's growth plan in the organisation, and make the link between education and career much more relevant to the industry and participants alike.

The solution lies in leveraging the MBA program itself as a retention strategy.

Sponsorship of employees for MBA programmes as a part of the overall organisational retention strategy in the BPO sector has not yielded the outcome that was expected of it. Why?

Prof. Madhuchhanda Das Aundhe is on the Faculty of Essae-TAPMI Academy, Bangalore and can be contacted at madhu@essae-tapmi.org