Chapter 4

Chapter 4.1: Industry Profile

Introduction

Telecom services have been recognized the world over as an important tool for socio-economic development of a nation. It is one of the prime support services needed for rapid growth and modernization of various sectors of the economy. India is currently the world’s second-largest telecommunications market and has registered exceptional growth in the past few years. The reasons for growth of the telecom sector in India are reform measures by the Government of India, active participation of the private sector, and wireless technology.

The National Telecom Policy 2012 (NTP-2012) was announced with the objective to maximize public good by facilitating reliable, secure and affordable telecommunication as well as broadband services in India. This along with the deregulation of foreign direct investment (FDI) norms have made the telecommunications sector one of the fastest growing and a top five employment opportunity generator in the country. The telecommunications sector attracted FDI to the tune of US$ 14,163.01 million in the period April 2000 – March 2014.

Market Size

India’s GSM operators added 2.58 million rural subscribers in April 2014, taking the total to 297.16 million. Also, Cellular Operators Authority of India’s (COAI) data suggests
that the overall GSM subscriber base increased by 4.97 million in April 2014 taking the
total GSM subscriber base to 726.90 million customers.

The COAI data also suggests that telecom provider Bharti Airtel provided the most
number of customers in the month of April, about 990,000 new subscribers followed by
Vodafone and Idea Cellular.

It has been predicted by Ericsson that India's mobile subscriber base will grow from 795
million in 2013 to 1145 million subscribers by 2020.

Data traffic powered by third-generation (3G) services grew at 146 per cent in India in
2013, higher than the global average, according to an MBit Index study by Nokia
Siemens Networks (NSN).

With Bharti Airtel becoming the second largest telecommunications provider in Nigeria
and Tata Communications entering into strategic partnerships with countries such as
Australia, Germany, Austria and Malaysia, it can be observed that Indian
telecommunication providers are doing quite well in the global market.

Investments

The telecommunications sector in India is rapidly growing and due to its potential, there
has been a number of investments in the recent past. Some of the notable few are as
follows:

- Aircel, in a move to expand its retail footprint in India, plans to set up 200 more
  XPRESS stores in the country, thereby taking the total number of these
  franchisee-owned, franchisee-operated model XPRESS stores to 500 by the
  middle of 2015.
• Reliance Jio Infocomm has signed deals with Ascend Telecom Infrastructure and Tower Vision to share their towers. Tower Vision has a portfolio of 8,400 towers while Ascend Telecom has 4,250. These deals will help the telecom unit of Reliance Industries to roll out its much awaited high speed data and voice services sooner and at a lower cost across India.

• Vodafone India has extended its Project Samridhi to Karnal in rural Haryana, in a bid to boost sales and provide employment opportunity to women in the region. Under the project, Vodafone has appointed 100 women, to sell e-top-ups and prepaid recharges.

• Reliance Communications (RCom) has entered into inter-circle roaming partnerships with Aircel and Tata Teleservices Ltd to offer 3G services on a pan-India basis. This agreement will enable RCom’s GSM customers to access 3G services while on roaming even outside its network.

• Tata Communications has entered into strategic partnerships with NEXTDC in Australia, Interxion in Germany and Austria, and Pacific Link Telecom in Malaysia. These partnerships will help the company to scale up data centre footprints in newer geographies.

• Vodafone Business Services (VBS) launched managed video conferencing service for enterprises to offer an experience of world class virtual face-to-face-like interaction with various participants anytime, anywhere. The service offers a seamless conferencing experience and is independent of device and network boundaries.
**Government Initiatives**

The Government of India has taken several initiatives to boost the telecommunications sector in India. Some of the recent notable initiatives are as follows:

- The Government of India has planned to establish a nearly 1,200-km direct subsea optic fibre cable link between the Indian mainland and Andaman and Nicobar Islands to improve telecom connectivity in this strategically located archipelago.

- The Ministry of Communication and Information Technology is planning to extend basic mobile coverage, including voice calling, in far-flung areas of eight northeastern states, at an estimated cost of over Rs 5,000 crore (US$ 843.5 million).

- The Department of Telecom (DoT) has planned to set up an application development centre with an outlay of Rs 1,000 crore (US$ 168.54 million) over a three-year period. The move aims to generate income for the Universal Services Obligation (USO) fund in addition to the revenue share received from telecom operators.

- The Department of Space (DoS) plans to waive satellite bandwidth charges payable by Bharat Sanchar Nigam Ltd (BSNL) to sustain the state-run telecommunication operations in the Andaman and Nicobar, Lakshadweep archipelagos and strategic border regions across the northeastern states.

- A top-level team from DoT has been sent to participate in a global convention in Israel to showcase India as a world-class networks gear manufacturing hub. The
team has been sent to showcase India's telecom gear manufacturing abilities and policies, in a bid to boost bilateral trade.

**Road Ahead**

To propel the Indian economy forward, the government is using the telecom industry as an effective channel to reach and serve its citizens. The NTP-2012 has targeted 100 per cent tele-density and 600 million broadband connections by 2020. It has visualised doubling the current telecom capacity and increasing its reach to 95 per cent of India while providing broadband level of internet capability.

DoT is promoting a vision of ‘green telecom’ by which it plans to convert 50 per cent of urban and 30 per cent of rural towers to renewable energy. Various policy initiatives by the Indian government have led to a complete transformation of the industry in the last decade. It has achieved a phenomenal growth during the last few years and is poised to grow further. It has also been speculated that this sector will generate about 4.1 million additional jobs by 2020.

**Major Players**

There are three types of players in the telecom services:

- State owned companies (BSNL & MTNL)
- Private Indian owned companies (Reliance communications, Tata Teleservices, Idea Cellular)
- Multinational Companies [MNC’s] (Vodafone, Bharti Airtel, Spice etc.)
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4.1.1 State Owned Companies

(1) BSNL (Bharat Sanchar Nigam Limited)

BSNL, formed in October, 2000, is world's 7th largest telecommunications company providing comprehensive range of telecom services in India: Wireline, CDMA mobile, GSM mobile, Internet, Broadband, Carrier service, MPLS-VPN, VSAT, VoIP services, IN Services etc. Within a span of five years it has become one of the largest public sector units in India. BSNL has installed Quality Telecom Network in the country and now focusing on improving it, expanding the network, introducing new telecom services with ICT applications in villages and winning customer confidence. Today, it has about 47.3 million line basic telephone capacity, 4 million WLL capacity, 20.1 Million GSM Capacity, more than 37382 fixed exchanges, 18000 BTS, 287 Satellite Stations, 480196 Rkm of OFC Cable, 63730 Rkm of Microwave Network connecting 602 Districts, 7330 cities/towns and 5.5 Lakhs villages. BSNL is the only service provider, making focused efforts and planned initiatives to bridge the Rural-Urban Digital Divide ICT sector. In fact there is no telecom operator in the country to beat its reach with its wide network giving services in every nook and corner of country and operating across India except Delhi and Mumbai. Whether it is the inaccessible areas of Siachen Glacier or the North-Eastern region of the country, BSNL serves its customers with its wide bouquet of telecom services. BSNL is the numero uno operator of India in all services in its license area. The company offers wide ranging and most transparent tariff schemes designed to suit every customer. BSNL cellular service, CellOne, has more than 17.8 million cellular
customers, garnering 24% of all mobile users as its subscribers. That means that almost every fourth mobile user in the country has a BSNL connection. In basic services, BSNL is miles ahead of its rivals, with 35.1 million Basic Phone subscribers, i.e., 85% share of the subscriber base and 92% share in revenue terms. BSNL has more than 2.5 million WLL subscribers and 2.5 million internet customers who access internet through various modes, viz. Dial-up, Leased Line, DIAS, Account Less Internet (CLI). BSNL has been adjudged as the NUMBER ONE ISP in the country. BSNL has set up a world-class multi-gigabit, multi-protocol convergent IP infrastructure that provides convergent services like voice, data and video through the same Backbone and Broadband Access Network. At present there are 0.6 million Data One broadband customers.

(2) MTNL (Mahanagar Telephone Nigam limited)

Mahanagar Telephone Nigam Limited (MTNL) is a state-owned telecommunications service provider in the metro cities of Mumbai and New Delhi in India and in the island nation of Mauritius in Africa. The company had a monopoly in Mumbai and New Delhi until 1992, when the telecom sector was opened to other service providers. "Transparency makes us different" is the motto of the company. The Government of India currently holds 100% stake in the company. In recent years, MTNL has been losing revenue and market share heavily due immense competition in the Indian telecom sector. MTNL was set up on 1 April 1986 by the Government of India with the aim of upgrading the quality of telecom services, expanding the telecom network, introducing new services and raising revenue for the telecom development needs of India's key metros - Delhi and Mumbai. MTNL's history in Mumbai dates back to 1882 when a company called
Bombay Telephone was founded. Bombay Telephone set up the first Telephone exchange in Mumbai (then known as Bombay) at Fort on 28 January 1882. Delhi's first telephone system with manual exchange was established in 1911. MTNL provides fixed line telephones and WLL services. It also provides mobile services on GSM and CDMA platforms. MTNL various service brands are:

*Dolphin* - a postpaid GSM service which also provides value added services such as 3G,

*Trump* - a prepaid GSM service, similar to Dolphin,

*Garuda* - a WLL service which provides an FW tariff, and a Mobile tariff

Phone numbers belonging to MTNL start with the prefix 2 in fixed line telephones and WLL. In GSM, mobile numbers start with the prefixes 901x, 9868, 9757, 9869,9968,and 9969. MTNL's efficiency has drastically improved from the past, when a customers had to wait much longer to be connected. At present, a customer can receive a connection within hours of the request being submitted.

### 4.1.2 Private Indian Owned Companies

(A) **Reliance Communications Limited**

Reliance Communications Ltd. (commonly called RCOM) is an Indian Internet access (commonly called "broadband") and telecommunications company headquartered in Navi Mumbai, India. RCOM is India's second largest telecom operator, only after Bharti Airtel. It is the 15th largest mobile phone operator with over 150 million subscribers. Established in 2004, it is a subsidiary of Reliance Industries.
The company has five segments:

- Wireless segment
- Broadband segment (Internet access operations)
- Global segment: national and international long-distance operations (and the wholesale operations of its subsidiaries)
- Investment segment: investment activities of the Reliance Group companies
- Other segment: customer care and direct-to-home (DTH) activities

It ranks among the top five telecommunications companies in the world by number of customers in a single country. Reliance Communications corporate clientele includes 2,100 Indian and multinational corporations, and over 800 global, regional and domestic carriers. The company established a pan-India, integrated (wireless and wireline), convergent (voice, data and video) digital network that is capable of supporting services spanning the entire communications value chain, covering over 24,000 towns and 600,000 villages. Reliance Communications owns and operates the IP-enabled connectivity infrastructure, comprising over 190,000 kilometres of fibre optic cable systems in India, United States, Europe, Middle East, and the Asia Pacific region.

**(B) Tata Teleservices**

*Tata Teleservices* Limited (TTSL) (BSE: 532371) is an Indian broadband and telecommunications service provider based in Mumbai, Maharashtra, India. It is a
subsidiary of the Tata Group, an Indian conglomerate. It operates under the brand name Tata DoCoMo in various telecom circles of India. The key people in the organization are Cyrus P. Mistry who is the Chairman & Srinath Narsimhan as MD & CEO of the organization. In November 2008, Japanese telecom giant NTT Docomo picked up a 26 per cent equity stake in Tata Docomo a subsidiary of Tata teleservices for about ₹130.7 billion (US$2.2 billion) or an enterprise value of 502.69 billion (US$8.3 billion). In February 2008, TTSL announced that it would provide CDMA mobile services targeted towards the youth, in association with the Virgin Group on a franchisee model basis. Tata Teleservices provides mobile services under the following brand names:

- Tata DoCoMo (CDMA & GSM mobile operator, wireless broadband)
- Virgin Mobile (CDMA & GSM mobile operator)
- T24 Mobile (GSM mobile operator).

Tata Indicom in April 2009, crossed the 35 million subscribers mark in the wireless category with an overall subscriber base of over 36 million. Tata Teleservices is ranked 2nd in terms of market share in Delhi NCR region with a subscriber base of 5 million. Tata Teleservices offers multiple tariff plans in both the Post-paid and Pre-Paid category. It also offers Mobile Value Added Services to subscribers. NTT DoCoMo announced on 25 April 2014 that they are going to sell 100% of their shares in Tata Docomo to Tata Teleservices and exit Indian Telecom. The reason for exit is because of huge loss of $780 million during financial year ending 31 March 2014.
(C) Idea Cellular

Idea Cellular, commonly referred to as Idea, is an Indian mobile network operators based in Mumbai, India. In 2000, Tata Cellular was a company providing mobile services in Andhra Pradesh. When Birla-AT&T brought Maharashtra and Gujarat to the table, the merger of these two entities was a reality. Thus Birla-Tata-AT&T, popularly known as Batata, was born and was later rebranded as IDEA. Then Idea set sights on RPG's operations in Madhya Pradesh which was successfully acquired, helping Batata have a million subscribers, and the license to be the fourth operator in Delhi was clinched. In 2004, Idea (the company had by then been rechristened) bought over the Escorts group's Escotel gaining Haryana, Uttar Pradesh (West) and Kerala — and licenses for three more – UP (East), Rajasthan and Himachal Pradesh. By the end of that year, four million Indians were on the company's network. In 2005, AT&T sold its investment in Idea, and the year after Tatas also bid good bye to pursue an independent telecom business. And Idea was left only with one promoter, the AV Birla group. Rs 27 billion adding Punjab and Karnataka circles. Modi's joint venture partner, Telekom Malaysia, invested Rs 70 billion for a 14.99% stake in Idea. Just around then, Idea's subsidiary, Aditya Birla Telecom sold a 20% stake to US-based Providence Equity Partners for over Rs 200 billion. Idea cellular closed its 3,000 crore QIP issue at Rs 134 per share in June 2014. The funds raised are likely to be used to repay debt and meet Capex requirements. Idea claimed a subscriber base of over 121 million in 2013. This is an increase from the August 2011 count of 98,441,714 or 16.09% (Approx.) of the total[13] mobile connections in India. Idea leads all other telecom operators in India in the MNP (Mobile Number
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Portability) race, with a net gain of 1,031,380 subscribers as on 31 August 2011. Idea also leads all other competitors in having the most active subscriber base, scoring highly on the VLR statistics. Visitor Location Register (VLR) is basically a temporary database of the subscribers who have roamed into the particular area, which it serves. Each base station in the network is served by exactly one VLR; hence a subscriber cannot be present in more than one VLR at a time.

4.1.3 Multinational Companies [MNC’s]

(A) Vodafone

Vodafone India Limited, formerly Vodafone Essar Limited, is the second largest mobile network operator in India after Airtel by subscriber base. It is based in Mumbai, Maharashtra. It has approximately 160 million customers as of December 2013. In July 2011, Vodafone Group agreed terms for the buy-out of its partner Essar from its Indian mobile phone business. The UK firm paid $5.46 billion to its Indian counterpart to take Essar out of its 33% stake in the Indian subsidiary. It will leave Vodafone owning 74% of the Indian business, while the other 26% will be owned by Indian investors, in compliance with Indian law. On 11 February 2007, Vodafone agreed to acquire the controlling interest of 67% held by Li Ka Shing Holdings in Hutch-Essar for US$11.1 billion, pipping Reliance Communications, Hinduja Group, and Essar Group, which is the owner of the remaining 33%. The whole company was valued at USD 18.8 billion.\[4\]

It offers both prepaid and postpaid GSM cellular phone coverage throughout India with good presence in the metros. Vodafone India provides 2.75G services based on 900 MHz and 1800 MHz digital GSM technology. Vodafone India launched 3G services in the country in the January–March quarter of 2011 and plans to spend up to $500 million within two years on its 3G networks.

(B) Bharti Airtel

Bharti Airtel Limited, commonly known as Airtel, is an Indian multinational telecommunications services company headquartered in New Delhi, India. It operates in 20 countries across South Asia, Africa, and the Channel Islands. Airtel has a GSM network in all countries in which it operates, providing 2G, 3G and 4G services depending upon the country of operation. Airtel is the world's fourth largest mobile telecommunications company by subscribers, with over 275 million subscribers across 20 countries as of July 2013. It is the largest cellular service provider in India, with 192.22 million subscribers as of August 2013. Airtel is the Second largest in-country mobile operator by subscriber base, behind China Mobile. Airtel is the largest provider of mobile telephony and second largest provider of fixed telephony in India, and is also a provider of broadband and subscription television services. It offers its telecom services under the "airtel" brand, and is headed by Sunil Bharti Mittal. Bharti Airtel is the first Indian telecom service provider to achieve Cisco Gold Certification. It also acts as a carrier for national and international long distance communication services. The company has a submarine cable landing station at Chennai, which connects the submarine cable connecting Chennai and Singapore. Airtel is credited with pioneering the business
strategy of outsourcing all of its business operations except marketing, sales and finance and building the 'minutes factory' model of low cost and high volumes. The strategy has since been copied by several operators. Its network—base stations, microwave links, etc.—is maintained by Ericsson and Nokia Siemens Network\textsuperscript{[10]} whereas IT support is provided by IBM, and transmission towers are maintained by another company (Bharti Infratel Ltd. in India). Ericsson agreed for the first time to be paid by the minute for installation and maintenance of their equipment rather than being paid up front, which allowed Airtel to provide low call rates of 1/minute (US$0.02/minute).
Chapter 4.2: VODAFONE

Vodafone Group plc is a British multinational telecommunications company headquartered in London and with its registered office in Newbury, Berkshire. It is the world's 2nd-largest mobile telecommunications company measured by both subscribers and 2013 revenues and had 434 million subscribers as of 31 March 2014. Vodafone owns and operates networks in 21 countries and has partner networks in over 40 additional countries.

The name Vodafone comes from voice data fone, chosen by the company to "reflect the provision of voice and data services over mobile phones"

Vodafone India is a member of the Vodafone Group and commenced operations in 1994 when its predecessor Hutchison Telecom acquired the cellular license for Mumbai. The company now has operations across the country with over 150 million customers. Vodafone India has firmly established a strong position within the Vodafone Group too, making it the largest subscriber base globally. This journey is a strong testimony of Vodafone’s success in a highly competitive and price sensitive market.

Vodafone India Limited, formerly Vodafone Essar Limited, is the second largest mobile network operator in India after Airtel by subscriber base. It is based in Mumbai, Maharashtra. It has approximately 160 million customers as of December 2013.
Vodafone India bring together voice & data, wireless & wireline services to help business harness the power of total communication solutions. In line with the Government’s objective to improve rural penetration of telephony services, Vodafone has work continuously in last few years to establish a strong rural presence.

**Mission Statement of Vodafone**

“We will enhance value for our stakeholders & contribute to society by providing customers with innovative affordable & customer friendly communication services. Through excellence in our services we aspire to be most respected & successful telecommunications company in India.

We see our customers, employees, shareholders and the community we operate in as our most important stakeholder.”
BOARD OF DIRECTORS - VODAFONE INDIA

**Martin Pieters:**  
Managing Director & CEO

**Vishant Vora:**  
Director Technology

**Ashok Ramchandran:**  
Director, Human Resources

**Sunil Sood:**  
Chief Operating Officer

**Naveen Chopra:**  
Director, Vodafone Business Services

**T.V. Ramachandran:**  
Resident Director, Regulatory Affairs & Government Relations.
Coleman Deegan: Chief Financial Officer

Suresh Kumar: Business Head Tamilnadu & Chennai.

Rangnathan Ramani: Vice President IT & Infrastructure.

UnniKrishnan R. Nair: Vice President, Business & Strategic Partner Management.

Venkat Reddy: Executive Vice President, Supply Chain Management.

Rohit Adya: Director External Affairs
H.R Practices with reference to Attrition trends in Vodafone

Vodafone relies on their employees – their enthusiasm, their talent, their commitment – to maintain and build on the success of their business, even more so in today’s competitive market. They depend on their employees to deliver excellent service to their customers and believe that the better experience their employees have at Vodafone, the better service they will give.

Vodafone Group employs around 91,000 people around 30 countries of world. They aim to attract, develop and retain the best people by engaging employees, offering attractive incentives and career opportunities, and ensuring all their employees are treated with respect. They want to ensure that the working environments that they create are inclusive. Vodafone promotes diversity in the workforce as a business asset, helping them to better understand and meet the needs of their diverse customers.

Vodafone expects all its employees to work in ‘The Vodafone Way’. The Vodafone Way defines a consistent set of values and behaviors to achieve their aim of being an admired and innovative company that puts the customer at the heart of their business. It emphasizes the importance of:

- Speed – bringing products and services to market quickly and prioritizing the things that really matter
- Simplicity – making things simpler for our customers, business partners and colleagues
• Trust – acting with honesty, integrity and fairness, being reliable and transparent, and valuing the confidence that people place in them as a company.

Vodafone has an employee portal –Ask HR as a one-stop-shop for all employee communication needs like HR Updates, Policies, Processes, Employee Self Service and Manager Self Service. On an average, they have 15,000 hits per month, thus bringing in complete transparency on all HR processes. Since the launch of the Ask HR portal in April 2011 till March 2012, they have recorded 157,724 hits on the website and registered 45,320 queries (calls and emails) to the service centre. Also HR Systems enable employee self service in travel, medical claims, performance dialogue, leaves etc.

But despite all this there is a major challenge being faced by H.R of Vodafone, the problem of Attrition. Due the strong growth of Indian economy, the impact of this buoyancy has affected all economic sectors. As per the Data collected via personal interviews tabulated in Exhibit no. 4.1

<table>
<thead>
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<th>Year</th>
<th>Total No. of Employees</th>
<th>Employees moved out</th>
<th>Attrition rate(%)</th>
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</thead>
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</tr>
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</table>

**Exhibit No 4.1 Attrition rate at Vodafone**
The Attrition trend in Vodafone for last six years i.e. (from 2008 to 2013) is shown below graphically:

![Attrition Rate Trends in Vodafone](image)

**Exhibit No. 4.2 Attrition Trends In Vodafone**

The graph clearly indicates that Attrition of employees during year 2008-09 & 2009-10 was 13%, whereas in years 2010-11 & 2011-12 was 15% but the highest attrition rate was reported in year 2012-13 i.e. 16% and again in year 2013-14 it was reported as 15%.

Now major question that crops up is that with every progressing year the employment policies of Vodafone are becoming more & more employee friendly, then why is this increase in Attrition noticed.

Initially with less number of companies, employees generally used to stick to a single parent company until their working years were over and opt for a silent retirement period after that. But this scenario has changed considerably as the last century has seen a slew of companies coming up in all sectors and salaries have shot through the roof and this has made the employees become a lot smarter and sharper.
Employee loyalty and commitment are not found in organizations these days. The employees are often put up in confusing state of mind, when they may not have any pressing reason for change in job but the offer is too attractive to be ignored.

In a survey of 100 employees only 77 responses were received out of which almost 51% of the total respondents declined that attrition is a major concern for their organization. Infact majority were of the view that some attrition is always desirable and necessary for organizational growth. But getting the best out of attrition should not however mean ignoring it. “Only a certain percentage of Attrition is good, otherwise despite the silver lining in the form of cost savings, trained hands in any business are crucial” – says Mr. Surjit Arora, Senior H.R Manager, Vodafone East zone.

The recruitment industry sees an erratic attrition of 35-100% where infant mortality (those who leave firms within the first two years) is high. “Blame it on the system where employability of a person is so low that the company has to stretch its standards and after sometime majority of them turn out to be misfits who ultimately drop out.” - says Mr. Anandomoy Roy, Chief Training officer Vodafone. The same fact was also shown in the survey conducted by researcher among employees of Vodafone whereby almost 90% of them were of the view that bad selection leads to attrition i.e. most of the people leave the organization due to mistake made at hiring stage.

The Major causes of attrition in Vodafone which the respondents i.e. employees of Vodafone state in their responses can be listed as:

1. **Monetary Factor**: The major reason for leaving their present organization is the monetary benefits the employees are offered at their new job as per 43% of the respondents. Pay hikes, better perks and benefits are the reasons that put an
confusion in employees mind and so even without a pressing reason to quit, they are unable to resist the lucrative offer given by competitors.

(2) **Very few supportive colleagues**: The second major reason for attrition that cropped up in the survey i.e as said by 28% of the respondents, was the lack of support from the peers and seniors. The cut throat competition has made the organizations devoid of feelings of cooperation and mutual understanding among employees thereby acting as de-motivator for employees who feel left out and hence feels trapped in the petty politics of the organizations and thus seeks for options to switch.

(3) **Stress from overwork & work life imbalance**: Almost 10% of the employees of Vodafone feel that the work schedules in Vodafone are exploitative, with least flexibility in job schedules, less provisions for leave, nightshifts and too much pressure to achieve targets which in turn creates stress and creates work life imbalance. Work-life imbalance has important implications on the employees attitude towards their organization and thereby acting as attritional factor.

(4) **Organization’s more concern towards business**: Almost 6% of employees feel that somewhere Vodafone as an employer is more focused on gaining market share and profit maximization and is more into expanding themselves globally, somewhere overlooking interests of employees.

(5) **Lack of challenges in job**: About 5% of the respondents of were of the view that their jobs are monotonous and highly repetitive. They have developed a feeling of
stagnation and boredom and thus attribute this as one of the causes of attrition. The employee gets a feeling that no matter how many years he spends on this job or assignment, still it will not broaden their creativity and domain of expertise and thus drudgery from job results.

(6) **Lack of respect**: Money is not the only factor for better retention, it may be a prime factor but another major factor is respect that employees expect from their jobs. In the view of 3% of the respondents, since no clearly defined educational qualifications are set forth by telecom sector so the employees feel themselves diminutive to their counterparts in other industries. So it has been a general tendency to switch over to other respectable job profile or industry.

(7) **Lack of good working conditions**: In an average the employees spend around 12-14 hours in their workplace, so its like their second home, therefore good working conditions acts a motivator for better retention. In Vodafone India it was found that around 2% of the employees are dissatisfied with their working conditions, especially in Vodafone East circle, where the offices lacked even basic facilities like 24 hour power backup, good drinking water and proper internet facilities etc.

(8) **Lack of appreciation and less frequency of rewards**: If the work of employee is not appreciated by his supervisor the employee feels de-motivated and gradually starts losing interest in his job. Around 1% of the respondents were of that their hard work or innovative approaches are rarely appreciated by their superiors.
(9) **Increase in Favoritism:** Another cause of attrition is when the employee feels neglected and isolated in his workplace. He feels highly de-motivated when he faces biased behavior from his supervisors or superiors. Around 1% of the employees felt that their loyalty and hard work remained unnoticed whereas undeserving candidates who by mere flattery of the supervisors get all appreciation and rewards.

(10) **Lack of Support:** Lack of support from management can sometimes serve as a reason for employee attrition as per remaining 1% of the respondents. Supervisor should support his subordinates in a way so that each one of them is a success, but such type of support was lacking in Vodafone India. Management’s focus on employees was almost negligent not only in their difficult times at work but also through the times of personal crisis. This also created dissatisfaction in the employees who made up their mind to switch over.

**Retention Practices in Vodafone India**

Retention is not merely a scheme but a strategy and should address the function of turnover. Retention strategy should be rooted in a fine combination of organizational culture, system architecture, methodical mentoring, enriched jobs, and performance linked pay commensurate with the best in business. Therefore, an entire spectrum of possibilities has to be explored and absorbed to craft a strategy that would embrace the employees to the organization even in adversity. Vodafone India was adjudged a Great Place to Work (GPTW) in GPTW survey 2013, ranking 2\textsuperscript{nd} in the Telecom Industry.
Some the retention techniques adopted by Vodafone are:

(1) **Better Channels of Communication between Employees and Management:**

(a) In 2012, ‘Vodafone Hub’, new intranet site was launched, which aimed to promote engagement with a social networking feature, as open and regular communication is fundamental to employee engagement. Vodafone Circle and a video channel, Tube, which enables employees to upload videos that share best practices across the business. Group and local market Chief Executives also communicate regularly with employees through a number of media, including webiners and videos.

(b) Vodafone launched their revised Code of Conduct in 2012, which sets out their business principles. All employees and contractors have a duty to report any suspected breaches of Code of conduct through “Speak-Up” process.

(c) Along with existing web reporting, Vodafone launched a global telephone hotline for employees and Third parties to report concerns on code of conduct issues.

(2) **Training & Developmental activities:** The training and development programmes in Vodafone ensure that their employees have skills and talent needed to grow their business in present and future times. There are programmes that help employees to gain new skills and experience through formal training, on the job experience, coaching and mentoring etc.
(a) Each employee has a formal performance dialogue once a year with their line managers to review their performance and set clear goals and development plans for the year ahead.

(b) Developing the leadership capabilities of high potential employees is a key focus of Vodafone to strengthen succession planning. High potential employees across the group are identified through an annual Talent Review Process and, where appropriate, they are given the opportunity to take part in Global leadership development training programme named “Inspire”. Inspire is designed to accelerate the progress of high potential managers into senior leadership roles. It provides a combination of learning programmes, executive coaching and mentoring from senior Vodafone leaders over a period of 18 months and may include as assignment to another Vodafone local market or function.

(c) Inclusive leadership workshops and other similar workshops are organized for senior leaders and H.R executives from time to time to promote diversity and inclusion across Vodafone.

(3) Measures for retention and development of Female workforce to reduce gender bias:

(a) Vodafone has designed a special self empowerment career series for its existing female employees named “Pathway to success”, which is a one year mentoring programme conducted by Execo for high potential women
employees; ‘Leading Ladies’- for women employees interested in making career in general management.

(b) Vodafone has prepared “Maternity Transition Note” outlining activities like planning, communicating maternity leaves to the line managers, holding a discussion of promotion cycles, transferring the responsibility and other activities for smooth transition before and after leave. Out of 72 women who availed maternity leave in 2013-14, 94% returned to work following the leave.

(c) Activities like Health workshops and health checkups are being conducted for women employees.

(4) **Opportunities for Career Advancement:**

(a) Customized training programmes are given to employees based on their potential, talent and performance. Some of the flagship talent management programmes are:

- Senior Leadership Acceleration Series
- Building Leaders of Tomorrow
- Young Leaders Programme.

(b) Vodafone also sponsors some of their employees for the two year Columbia Graduate Programme. Once they graduate, they may also be
nominated to work in other local operating companies of the Vodafone group.

(5) **Providing Better working conditions by maintaining high health, safety and wellbeing standards:**

(a) Senior management tours are conducted on regular basis to encourage safe working conditions and practices. All major incidents are reported to the Global HSW (Health, Safety & Wellbeing) team within 24 hours of their occurrence. Local business heads supervises every incident and ensures adequate investigation.

(b) “Expect the Unexpected” programme was conceptualized in year 2012, whereby participants were given case studies on safety to promote a thought provoking approach in imbibing a culture of safety. Besides this various workshops are conducted on road safety and safe driving rules for employees from time to time.

(6) **Employee rewards and Recognitions:** Vodafone believes that workforce is their strength and they want their employees to feel valued and realize that their work does make a difference. Vodafone acknowledges the priceless contributions made by their employees under the following categories:

- Target or performance driven recognition programmes.
- Culture driven recognition programmes.
Some of the Culture driven Recognition Programmes are:

(i) **Vodafone Global Heroes**: which is a quarterly initiative that identifies and recognizes employees (in Band G & below) who contribute to and embody the “Vodafone Way”

(ii) **Vodafone SStars**: which is a consistent exercise which celebrates the exemplary demonstration of Speed, Simplicity and Trust at work. The chosen employees are short listed by the Recognition Boards, Peers and seniors and awarded a lapel pin, a certificate and points that can be redeemed against a ore-defined gift voucher.

(7) Other Retention Practices:

(a) Vodafone launched the Vodafone Inclusivity Network in 2012. All employees can join this forum that focuses on how to change the culture to drive inclusivity at their workplace.

(b) The exit interviews processes have been strengthened in order to understand the reason for people to leave the organization and factors leading to it.

**Impact of Retention practices on the satisfaction level of employees in Vodafone**

Vodafone operates with a goal to recruit, develop, and retain the most talented, motivated people that are well aligned with the Vodafone brand essence. The group aims to do this
by providing a productive and safe working environment, treating people with respect and offering attractive performance based incentives and opportunities.

The period of 2008-09 and 2009-10 saw more or less consistent attrition rate of almost 13%, but during the year 2010-11 an 2011-12, the attrition rates rose to 15% which clearly was an indicator that the existing retention practices were ineffective to maintain the satisfaction levels of the employees thereby creating dissatisfaction among them leading to attrition, but due to recession in the market due to global economic upheaval during this period of two years, there was dearth of job opportunities in the market so attrition rate stabilized to 15% but in the year 2012-13, as soon as the market conditions improved and job opportunities increased again a rise in attrition rate was noticed to 16% in the Vodafone which could not be controlled despite effective retention strategies. This led H.R. of Vodafone to develop the new concept of ‘Vodafone way’ in the year 2012, which gave a new innovative retention tool to Vodafone. Thus, after this the employees started aligning themselves with organizational goals and as per 51% of the respondents they were highly satisfied with the prevalent retention practices and were of the view that attrition was not a major cause of concern for their organization, this was evident from the reduction of attrition to 15% in the year 2013-14.

******************************************************************
Bharti Airtel Limited, commonly known as Airtel, is an Indian multinational telecommunications Services Company headquartered in New Delhi, India. It operates in 20 countries across South Asia, Africa, and the Channel Islands. Airtel has a GSM network in all countries in which it operates, providing 2G, 3G and 4G services depending upon the country of operation. Airtel is the world's fourth largest mobile telecommunications company by subscribers, with over 283.6 million subscribers across 20 countries as in year 2013-14. It is the largest cellular service provider in India, with 205 million subscribers as of April 2014. Airtel is the Second largest in-country mobile operator by subscriber base, behind China Mobile.

Airtel is the largest provider of mobile telephony and second largest provider of fixed telephony in India, and is also a provider of broadband and subscription television services. It offers its telecom services under the "airtel" brand, and is headed by Sunil Bharti Mittal. Bharti Airtel is the first Indian telecom service provider to achieve Cisco Gold Certification. It also acts as a carrier for national and international long distance communication services. The company has a submarine cable landing station at Chennai, which connects the submarine cable connecting Chennai and Singapore.

Airtel is credited with pioneering the business strategy of outsourcing all of its business operations except marketing, sales and finance and building the 'minutes factory' model of low cost and high volumes. The strategy has since been copied by several operators.
Its network—base stations, microwave links, etc.—is maintained by Ericsson and Nokia Siemens Network whereas IT support is provided by IBM, and transmission towers are maintained by another company (Bharti Infratel Ltd. in India). Ericsson agreed for the first time to be paid by the minute for installation and maintenance of their equipment rather than being paid up front, which allowed Airtel to provide low call rates of ₹1/minute (US$0.02/minute).

**Airtel’s Vision and Promise**

By 2015 airtel will be the most loved brand, enriching the lives of millions. "Enriching lives means putting the customer at the heart of everything we do. We will meet their needs based on our deep understanding of their ambitions, wherever they are. By having this focus we will enrich our own lives and those of our other key stakeholders. Only then will we be thought of as exciting, innovation, on their side and a truly world class company."

**History of the group:**

In 1995, Bharti cellular launched Cellular services as “Airtel” in Delhi. In 2010, Airtel won 3G spectrum in 13 Circles. In the same year launched Airtel announced a re-branding campaign wherein, they would be referred as airtel, with a new logo. In 2011, Airtel launched its first ever 3G services in India. On 4 February 2013, Bharti Airtel launches its emergency alert service in eastern region. In 2013 the department of telecommunications (DoT) was investigating Bharti Airtel for violations of a license agreement the company violated between 2003 and 2005. On 18 February 2014, Bharti Airtel said it has signed a "strategic agreement" to acquire Loop Mobile's three million subscribers and its 2G network comprising over 2,500 cell sites and optic fibre in the
financial capital, subject to regulatory approvals. Together with its existing 4.3 million users, Bharti Airtel would replace Vodafone India – with 7.1 million users – as the No. 1 in Mumbai by subscribers. It would, however, continue to trail Vodafone in revenue market share —around 27% to nearly 36%. On 2 April 2014, Bharti Airtel renewed its infrastructure and application management contract with IBM for five years.

India's largest telecom operator Bharti Airtel acquired Loop Mobile that has mobile network only in Mumbai circle. With this acquisition, Bharti becomes the top operator with seven million subscribers followed by Vodafone with 6.8 million subscribers.

Organizational Structure of Bharti Airtel (India & South Asia)
Awards & Recognitions in 2013-14

- Airtel was conferred with the ‘Best in Recruitment Re-engineering’ and ‘Best in Technology & Talent Analytics’ awards at the People Matters Talent Acquisition Leadership League Awards, 2013.

- Ranked among the top 10 employers of the LinkedIn India’s Most In Demand Employers, 2013.

- Ranked 12th in BT Best Companies to Work for survey conducted in 2013.

- Featured among the top 20 companies in AC NIELSEN Campus Tracking, 2013.

- Bharti Airtel won the ‘Enterprise Telecom Service Provider of the Year’ Award at the 2013 Frost & Sullivan India ICT Awards.

- Bharti Airtel secured the top spot among the ‘Best companies to work for’ in the Indian telecom sector in the Business Today – People Strong Survey 2013.

- Bharti Airtel emerged as India’s most respected Telecom Company in Business World’s survey for 2013.

- Bharti Airtel was ranked first in Brand Equity’s Top 50 Service Brands in India’s Most Trusted Brands Survey 2013.

- Bharti Airtel was ranked fourth in financial transparency among 100 multinational companies in emerging markets, according to a study conducted by Transparency International.

- Bharti Airtel emerged as the only Indian company to be featured on the list of top 10 global brands most admired in Africa, according to a survey conducted by African Business in 2013.
H.R Practices with reference to Attrition Trends in Bharti Airtel

Airtel acknowledges and celebrates the immense potential of their human capital. They believe that their success depends on their ability to develop their employees' knowledge, skills and experience.

Airtel has consistently tried to create and promote inclusive work environment for employees of diverse backgrounds to help them enable them to realize their full potential. The objective is to ensure that the 14,645 strong workforce is both skilled and engaged with the company and that the organization is perceived as being inclusive, entrepreneurial and an equal opportunity employer.

With over 1400 women employees, Airtel’s policies have not only encouraged women to join its workforce, but also to attain positions of high responsibility. Initiatives like mentorship programme, talent acquisition, partner reward programmes etc.

Besides this a programme named ‘Joy Of Sharing Happiness (JOSH)’ launched by Airtel in the year 2014. The idea of JOSH was conceptualized to create a happy workforce at Airtel. It involved the drivers, creation and deployment of various factors to capture the pulse of their people and enhance their effectiveness. During the activity, four drivers of happiness was identified namely:

- Career
- Rewards and Recognition.
• Goals and compensation.
• Learning and development.

Based on the drivers a detailed action plan was drawn up to ascertain different pointer of happiness under each aspect and engage employees accordingly. The employee engagement initiatives comprised celebration of festivals, organizing blood donation camps, focusing on health and wellness of people, among so many others. The objective was to create a transparent ecosystem where people can exchange ideas with a view to knowledge sharing and learning.

Although Airtel being a leading brand in telecom sector in India, despite all the above measure still faces the problem of attrition, which is indicated in the exhibit no. 4.3 which shows the Attrition rate for six years (i.e. 2008-09 to 2013-14).

<table>
<thead>
<tr>
<th>Year</th>
<th>Total No of Employees</th>
<th>Employees moved out</th>
<th>Attrition Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-2009</td>
<td>24538</td>
<td>2049</td>
<td>8.35</td>
</tr>
<tr>
<td>2009-2010</td>
<td>18354</td>
<td>1409</td>
<td>7.68</td>
</tr>
<tr>
<td>2010-2011</td>
<td>20890</td>
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<td>15563</td>
<td>1798</td>
<td>11.55</td>
</tr>
<tr>
<td>2013-2014</td>
<td>14645</td>
<td>1456</td>
<td>9.94</td>
</tr>
</tbody>
</table>

**Exhibit No. 4.3: Attrition rate in Airtel for Six years**
Based on the above table following exhibit No. 4.4 is representing the Attrition trends for the available data of six years.

Exhibit No. 4.4: Attrition trends In Bharti Airtel

The above graph clearly throws light that the attrition of employees during the year 2008-09 was almost 8.35% and in year 2009-10 reduced to 7.68%. Year 2010-11 had attrition rate of 9.58% whereas in 2011-12 witnessed a all time hike of 11.76% and so was in year 2012-13 when it was 11.55%, the year 2013-14 noticed a reduction in attrition rate which was 9.94%.

The problem of attrition although fluctuating but still remains persistent, which makes one think as to why the employees plan to leave this good reputed brand like Airtel.

As per the survey conducted among 100 respondents belonging to all departments of Airtel India, only 87 responses were recorded, the major reason that came to light was as follows:
1) **Stress from overwork & work-life Imbalance**: Employees differentiate a good employer from any other employer through the feeling of “well-being” that is generated at the workplace. A balance between work and personal goals and wants of an employee contributes positively to the retention of the employee. But about 55% of the total respondents were facing the problem of work life imbalance and complained of long working hours i.e. around 12 to 14 hours daily and working even on holidays, no flexi timings etc. Thus it could be said that Work life imbalance was the major reason of Attritions in Airtel. This fact was also highlighted in the survey whereby 47% of the respondents gave the view that their families were not supportive of their job in this organization due to this work-life imbalance.

2) **Monetary Factors**: Incentives to employees play a vital role in motivating and retaining them in organization. About 31% of the respondents were unhappy with their salary structure and were of the view that there was no salary benchmarking with respect to industry and they are made to work more and paid very less in that context. This was the second major cause of attrition of employees at Airtel,

3) **Increase in Favoritism**: Another cause of Attrition as per 11% of the respondents was the lack of confidence and trust in their supervisors or immediate bosses, due to the problem of biasness or favoritism, whereby the deserving employees were not recognized, motivated or appreciated for their good work and efforts and less competent got quick hikes by just being in
good books of their bosses. This preferential treatment of individual team member created dissatisfaction among other employees.

4) **Poor Career Growth**: If an employee appears to be bored or burnt out in a current position it creates a feeling of stagnancy and resentment in employees who feel stuck in their positions with no or low possibility for advancement. No matter how much efforts or innovation he may put in is job still their will be no change in the job profile. The employee’s i.e. 2% of the respondents felt that Airtel has worst career growth plan for its employees. Getting promotions is difficult in Airtel that was a great cause of resentment and an Attrition driver in Airtel.

5) **Poor management Strategies**: The H.R Policies and strategies framed by Airtel as per 2% of the respondents of our survey were quite outdated and obsolete like travel policies, performance appraisal techniques, leave provisions etc. The inclusion of new techniques of employee welfare as practiced by other counterparts in the industry was lacking in Airtel leading to discontent among employees leading to Attrition.

6) **Lack of Appreciation and Poor people management**: A positive recognition for work boosts the motivational levels of employees. But its absence creates lot of dissatisfaction and employee feels de-motivated as to his endeavors go unnoticed. At Airtel about 2% of the employees said that they faced the problem of non-recognition and rather there were cultural barriers in innovation. All focus was on achieving organizational goals keeping at bay their needs. This forced some to look for other options
7) **Unstable Organizational structure:** There were frequent changes in the organizational structure of Airtel in recent times especially at top management level. This created lot of confusion among its employees who felt that the Organizational structures not thought through, and policies keep changing. This feeling of instability as per 2% of the respondents created doubts in the mind of employees who felt unclear about their future goals and career paths.

8) **Communication gap between management and employees:**
Communication is considered the key to success. The employees of Airtel i.e. 1% of the respondents felt a communication gap between them and top and middle level management. The employees faced great hassles in voicing their problems and in finding solutions due lack of proper communication channel. This was also attributed as one of the reasons of Attrition.

9) **Less organized way of working:** Large amount of unnecessary reporting and activities that go on just to prove the worth of a position with no benefit to actual operations or customer experience at Airtel as per 1% of their employees i.e. the respondents and for performing minor tasks or even for leaves a lengthy protocol chain is to be followed which caused great wastage of time. Lack of systematic way of working was also one of the reasons for attrition.

10) **Job Insecurity:** Due to continuously changing policies and strategies at Airtel there was lot many terminations and many employees were fired. This has created a feeling of job insecurity in the minds of the existing employees and hence as 1% of the respondents were of the view that there was always an
apprehension as to when they may be shown a way out, so in order to avoid this problem, many employees search new jobs in advance and leave Airtel leading to Attrition.

**Retention Practices in Airtel**

To cater to evolving customer aspirations Airtel strives to attract and retain the best industry talent with flexibility and adaptability to respond to changing market dynamics. Airtel continuously drive people excellence through extensive training and development process. Over the years, Airtel has built a culture that binds people across hierarchy and geographies. Airtel believes that its H.R processes are simple, clear and structured in the best interests of their people.

“We firmly believe that meaningful investment in people enable businesses to have a cutting edge in the market. Our people initiatives revolve around four fundamental building blocks of meritocracy, openness and transparency, collaboration and care. Leadership connect programmes like Impulse, Diversity Initiative Saksham and instant recognition for he right moves have helped keep employees morale high and strengthened the emotional fabric at the workplace. Our engagement interventions span beyond traditional boundaries and are well aligned with the business priorities.” –says Mr. Param Nayyar, Principal Human Resources Officer, upper North, Airtel India.

To ensure that their employees get the right environment to give their best each day and at the same time strike the right work-life balance, select facilities of Airtel are housed with world class infrastructure.
(1) **Employee friendly policies:**

Airtel believes that their employees are their asset. And the same belief is manifested in the progressive, employee-friendly polices crafted at Airtel. Be it the sabbatical policy to encourage breaks for education purpose or entrepreneurial policy to give a head-start to employees who want to explore their commercial, risk-taking side or maternity/ paternity leaves for new parents – Airtel takes care of its people throughout the journey.

- **Flexible work options:**
  
  Airtel recognize the need to provide opportunities to maintain a healthy work life balance. Flexible work options assist employees in balancing their responsibilities towards work, family, education and other personal interests.

- **Health Awareness:**

  In order to have a safe and healthy workplace, Airtel constantly focus on creating awareness of health related issues through expert-led discussions, seminars, etc. In addition to this there are regular health check camps that are conducted to ensure that our people are healthy and fit. There is also a medical room with a certified doctor and nurse to provide the basic medical help in case of an emergency.

- **Gymnasium:**

  To promote fitness at work, and in most cases inspire better attitude and confidence, Airtel provide their employees access to a fully equipped in-house gymnasium with trained coaches. The employees have the flexibility to exercise
before or after their work shifts or during their breaks. There are locker rooms and shower facility near the gym for employees to manage their hygiene. What more, the membership to this gym is at a highly subsidized rate!

- **Day care centers:**
  Home away from home for little bundles of joy! Airtel has created this facility of fun and safe environment for children of employees working with them. The brightly decorated daycare center is a safe play area, designed for both kids and babies with fully qualified and trained staff. It is managed by an external agency, The Banyan, which has expertise in core operations of Daycare Centers. The center has dedicated areas for playing and craft time, quiet reading and nap time. It is equipped with toys, art supplies and other entertaining and education items. There are regular activities planned with kids during the day – reading time, play time, snack time, nap time and also a lot of seasons, holidays and special events are celebrated with kids.

- **Grocery stores at office premises:**
  For their employees to be comfortable and free from constant thought of household chores, Airtel provide some basic facilities like exclusive in-house EasyDay grocery store and Del monte outlet. Employees can buy a range of items at these outlets at discounted prices and at the same time save time and hassle to go shopping after work hours.

- **Cafeteria:**
  Food! Healthy and organic food at work! Yes, airtel has built a massive cafeteria for its employees which serves an array of healthy food and has also tied up with
popular food chains to tantalize the taste buds of employees. There is also a Costa outlet on the premises where many a great ideas generate and employees bond over a cup of coffee.

- **Other facilities that make life easy:**

  Airtel campus houses an ATM machine for quick use of plastic money. Other bouquet of services include Concierge Desk – that supports bill payments, arranging for painter/ plumber, etc and Travel Desk – that takes care of ticket booking for professional and personal visits. Airtel also have shuttle services for employees who travel through metro. These buses are stationed at metro stations near the office to make it more convenient for employees to reach Airtel Center.

  In addition to the above benefits, Airtel has, over the years, successfully built an army of enthusiastic employees who are committed to success, socially involved and emotionally wired to each other. This achievement is an outcome of a series of consciously defined activities and ways of working that has positively impacted employee engagement and now forms a part of Airtel’s DNA. Airtel truly believes in living its employer brand hence fosters a culture of innovation, co-creation and growth. Every employee is given a platform to feel empowered, think differently, and try new solutions. This is done through forums like Sparkplug, formation of co-creation teams, etc created with an aim to foster culture of collective idea generation that makes our people more confident and promotes their overall development.
(2) Inspiring women at work:

At Airtel, diversity & inclusion is increasingly being recognized as a critical business imperative. They believe that diversity fosters innovation in the workplace, enhances their ability to understand customer insights & undoubtedly enables us to retain & attract the best talent. To nurture workforce diversity, with particular focus on 'gender', Airtel has been continuously attempting to understand specific needs of women, & implement practices & support systems to address these needs. Being an equal opportunity employer, they design their workplace practices to provide an inclusive environment in which women can participate, contribute & develop freely & equitably.

- **Social & Learning Events focused on Women's Interests**

  It is being globally recognized that women bring diversity at workplace in terms of perspective, skill set and experience. To acknowledge and promote diversity and for deliberating on women related issues, Airtel launched a platform dedicated to womenfolk – Astitva – on the occasion of International Women's Day. The platform, through various initiatives like town halls, expert discussions, workshops supports women to balance work & personal life effectively, encourages them to network, gain confidence, acquire skills & leverage leadership opportunities.

- **Creating Women-friendly Environment**

  Airtel salute the women that form a part of the Airtel universe. To ensure that Airtel encourage more and more women to be a part of their family, they consciously inculcate a diversity friendly environment, policies and programs that support women in living their dreams and making the difference at work.
• **Safe working environment**

Special focus is given to women during late working hours and parking at work. The policy has been designed in a fashion to give benefit to women where they can without a doubt go the extra mile at work and feel protected and safe at the same time.

• **Flexible work hours**

Airtel believe flexibility is becoming an increasingly important employee benefit. Their family friendly work options allow employees to opt for flexible work timings, flexibility to work from home on certain days of the week, work from a remote location, or work part time for specified periods. While this policy is open to all employees, the policy has benefited many women employees, particularly during pregnancy & those with young children or aged parents.

• **Health camps for women**

Frequent discussions are conducted with industry experts, and prominent doctors and women-achievers on health and lifestyle issues that affect daily lives of women.

• **Maternity & Post-Natal Benefits**

Maternity leave is extendable up to 6 months (3 months of paid leave plus 3 more months in case of need, adjusted against the employee’s accumulated leave).
Alternatively, during the immediate post maternity period, the employee can opt for any of the flexible work options – flexi time, work from home/remote location or part time work.

- **Helping the young working parents**

  The daycare center at work conducts programs where both babies and their working mothers spend some play time together. The idea is to get the duo to bond better and help them spend some quality time together. In addition to this, as a part of the overall learning initiative, special sessions on ‘parenting’ are conducted time to time to teach young parents the art of childcare.

- **Celebrating womanhood**

  Be it the International Woman’s Day or traditional festivals like karwachauth – Airtel rejoices all these celebrations with great enthusiasm.

- **Women in the Lead**

  Airtel being an equal opportunity employer continues to hire exceptional women who become leaders of tomorrow. To maintain this diversity at workplace they continue to hire women who can contribute towards the success of the company.

(3) **Development Initiatives**

The overall people strategy at Airtel aims at partnering with business and understanding the talent needs to take the business to its next phase of growth. The key focus area thus
emerges as building and accelerating talent through target led interventions and capability building. It is essential to help employees identify and leverage their talents to not only handle the ever-changing requirements of the market place but also continuously build on their personal career paths.

- **Leadership Development**

  The Leadership Development approach is manifested through Airtel’s flagship Leadership Acceleration Program which has been designed as a development intervention that involves developing and monitoring top talent/emerging leaders and preparing them for advancement into leadership positions. LEAP architecture has been designed to provide a holistic development exposure to their top talent/emerging leaders, not only through class room training but also focus on other aspects of development like: On the Job Projects, Mentoring, Functional Inputs, & providing critical on the job experiences in line with their career. This structured learning intervention is further reinforced through continuous engagement with the senior leadership team, on the job experiences and mentoring support as applicable. Similarly, a separate set of distinct initiatives address the development requirements of Airtel leaders (i.e. VP and above employees). These interventions include being a part of certain key strategic projects identified, workshops by leading global business schools like Harvard & INSEAD, providing international exposure, internal coaching/mentoring sessions by Airtel leaders.
• **Competency Development**

Competencies lie at the very core of Airtel’s people management systems integrated with the processes of Competency Based Selection, Performance Management System, Talent Management Process, Potential Assessment and Development etc., these are seen as a critical component of every individual's growth and performance. Thus building capabilities at Airtel assumes greater significance, and primarily revolves around building competencies that help create a pool of strong leaders, which not only constantly develop themselves but in turn create an army of superior, customer-focused performers.

At Airtel, developing people management capabilities lies at the core of competency development. Engagement Action Planning is also leveraged as a tool to develop People Management Capability where the team manager understands & strives to enhance the engagement levels of his/her team.

The competencies at airtel have evolved and in their new avatar today have been segregated into namely 2 sets; the first set comprises of three competencies that are common across all bands and the second set of two competencies is specific to certain bands.

➢ **Competencies that are common across all bands include:**

Ensuring that the customer perspective is a driving force behind business decisions and activities; crafting and implementing service practices that meet customers' and own organization's needs.
- **Drive Customer Engagement.**

- **Be Entrepreneurial**

- **Build Collaborative Relationships.**

  ➢ **Competencies specific to Junior & Middle Management are**

  - **Drive Execution Excellence**

  Translating strategic priorities into operational reality, aligning communication, accountabilities, resource capabilities, internal processes, and ongoing measurement systems to ensure that strategic priorities yield measurable and sustainable results.

  - **Be Analytically Decisive**

  Securing and comparing information from multiple sources to identify business issues; committing to an action after weighing alternative solutions against important decision criteria.
Competencies specific to Senior Management are:

- **Build Teams & Talent**

Establishing systems and processes to attract, develop, engage, and retain talented individuals; creating a work environment where people can realize their full potential, thus allowing the organization to meet current and future business challenges.

- **Establish Strategic Direction**

Using economic, financial, market, and industry data to understand and improve business results; using one’s understanding of major business functions, industry trends, and own organization’s position to contribute to effective business strategies and tactics.

(4) **Functional Capability**

The face of Airtel as we see it today has undergone a sea change; from being just a telecom service provider to now providing a host of services and making the transition to
being a fast moving consumer services organization. With these dynamic changes in the industry it is only imperative to develop their internal talent and their skill set to the expectations of the newer technologies, products and set of customers. The functional skills interventions at Airtel have been structured in the form of frameworks specific to each function, role and proficiency level. The employees undergo an assessment on this framework to identify their strengths and skill gaps. Structured & relevant learning interventions with the best in class learning partners & institutions are then organized to address the skill gaps & develop future functional capabilities in the employees.

Apart from these functional frameworks the organization also lays emphasis on development of certain key functional capabilities that cut across functions and levels and include understanding of data, devices and mobile commerce.

(5) Continuing Education Program (CEP)

Airtel as an organization stands committed towards the continued development of its employees to enable each of them to reach their full potential. In line with this commitment, Airtel has entered into tie-ups with premier educational bodies and institutes to offer select courses to employees. This will add value to their existing skills and knowledge, thereby enhancing their ability to perform in the current or future roles and to provide the necessary impetus towards achieving the organization’s vision. The CEP program offers a range of courses from the fields of General Management, Human Resources, Marketing & Sales, Finance, IT, Networks and Supply Chain from premier educational bodies and institutes, like IIMs and IITs. The program also hosts
Professional Technical Certifications for Networks from CISCO, Hughes Edu Services and NIIT Imperia.

**[(6) Young Leaders Programme (YLP)]**

Established in 2001, the YLP carries along with it a rich legacy of 12 years and is aimed at creating a pool of business leaders for tomorrow. The Young Leaders get an opportunity to interact with senior leaders and learn from them during the course of their journey with Airtel. The 6-12 month long program exposes new recruits to different aspects of the organization through functional & cross-functional stints so that, at the end of the program, they are ready to make the transition from a table in their B-school to one at the Board.

**Structure of Programme:**

- **Induction at Airtel Centre:**
  Airtel’s Corporate Orientation Program is the cornerstone of YLP and is aimed at giving the young recruits an insight into Airtel and the telecom world. The corporate orientation is an 8 day long program hosted at Airtel Center where the young leaders get an opportunity to interact and learn about Airtel and its lines of businesses from the leaders themselves.

- **Functional Stints**
  Post the corporate orientation, the young leaders embark upon their 15 weeks journey of the core functional stint. The stint helps them gain an in depth understanding of their function and its linkages to various sub functions through a number of target based assignments and project work.
• **CSR Stint:**

Giving back to the society is what Airtel believes in and this is manifested in the CSR stint in association with the Bharti Foundation schools, where young leaders take charge of these schools in deep rural areas of Punjab, Rajasthan & Haryana and get involved in community work. This is also a step towards building sustainable talent and bringing us closer to our roots that the Bharti Foundation Stint is incorporated as a part of the YL program.

• **Cross functional stint:**

The last phase is aimed at training young leaders for general management roles within the organization. This stint helps young leaders in getting sensitized to other functions and also helps them develop the ability to understand the inter-linkages with their own core function. The projects in this stint are designed in such way so as to give the young leaders hands on experience in that function.

**Impact of Retention Strategies on the satisfaction level of the employees in Bharti Airtel**

The core values of Bharti Airtel were ‘Alive’, ‘Inclusive’ and ‘Respectful’, which created an environment for individuals to prosper in and also provided an a framework for Airtel to transform into a more agile, Innovative, efficient and entrepreneurial organization.

In the year 2013-14, Airtel used the employee engagement survey “Airpulse” to measure the dimensions like performance excellence, cultural environment and to
identify employee expectations. Airpulse index and Airtel culture index measured employee satisfaction level as 85%. As per the data collected, Airtel had an average attrition rate of 8-9% for the period of 2008-09 and 2000-10, but the year 2010-11 saw a rise in attrition rate to 10% which further rose to 12% in the year 2011-12. This rise can be attributed to the fact that this period of two years had been challenging for global economy. Mr. Sunil Bharti Mittal, Chairman, Bharti Airtel, was also of the view that during 2010-11 and 2011-12, even as the US economy registered a slow but steady recovery, the Eurozone had plunged into one of the worst debt crisis in the global history, creating the problem of recession worldwide. The telecom sector was in the midst of tectonic shift and this all created lots of apprehensions in the minds of the employees who shifted to other sectors despite all efforts to retain them. This shift continued in the year 2012-13, which again witnessed an attrition rate of 12%. But gradually in the year 2013-14, Airtel geared up its H.R. Policies which instilled confidence in their employees that they can prosper and grow with Airtel with various development and leadership programmes and by adopting special practices for motivation of its female workforce. Thus with all this effective retention strategies attrition rate in Airtel dropped considerably to 10% indicating a happy and satisfied workforce.
India’s leading integrated telecom company Reliance Communications is the flagship company of the Reliance Group. Listed on the National Stock Exchange and the Bombay Stock Exchange, it is India’s leading integrated telecommunication company with over 150 million customers.

Their 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. Their constant endeavor is to provide an enhanced customer experience and achieve customer satisfaction by upscaling the productivity of the enterprises and individuals they serve.

Reliance Mobile (formerly Reliance India Mobile), launched on 28 December 2002, coinciding with the joyous occasion of the late Dhirubhai Ambani’s 70th birthday, was among the initial initiatives of Reliance Communications. It marked the auspicious beginning of Dhirubhai’s dream of ushering in a digital revolution in India. Today, Reliance proudly claims that they instrumental in harnessing the true power of information and communication, by bestowing it in the hands of the common man at affordable rates.
Reliance Communication (R Com) is the second largest Telecom company in India in terms of customers. The Company has a customer base of 150 million including over 2.5 million individual overseas retail customers. It ranks among the Top 5 Telecom companies in the world by number of customers in a single country. Reliance Communications corporate clientele includes 2,100 Indian and multinational corporations, and over 800 global, regional and domestic carriers. A pan-India network, covering over 24,000 towns and 600,000 villages has been established by Reliance Communications. Reliance Communications owns and operates the next generation IP enabled connectivity infrastructure comprising over 190,000 kilometers of fiber optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region.

They endeavor to further extend their efforts beyond the traditional value chain by developing and deploying complete telecom solutions for the entire spectrum of society.

The company has five segments:

- **Wireless** segment

- Broadband segment (Internet access operations)

- Global segment: national and international long-distance operations (and the wholesale operations of its subsidiaries)

- Investment segment: investment activities of the Reliance Group companies

- Other segment: customer care and direct-to-home (DTH) activities.
Vision of Reliance Communications

By 2015, be amongst the top 3 most valued Indian Companies, providing Information, Communication and Entertainment services and being the Industry benchmark in Customer experience, employee centricity and innovation.

Mission of Reliance Communications

Reliance aims to create world-class benchmarking by:

- Meeting and exceeding customer expectations with a segmented approach.
- Establishing, re-engineering and automating processes to make them customer centric, efficient and effective.
- Incessant offering of products and services that are value of money and excite customers.
- Providing a network experience that is best in the industry.
- Building Reliance into an iconic brand which is benchmarked by others and leads industry in intention to purchase and loyalty.
- Developing a professional leadership team that inspires and nurtures talent and propagates RCOM values by personal example.
Board of Directors

1) Shri Anil D. Ambani – Chairman
Promoter, Non Executive & Non Independent Director

2) Prof. J. Ramachandran
Independent Director.

3) Shri Deepak Shouri:
Independent Director

4) Shri A.K. Purwar- Independent Director

5) Shri R. N Bharadwaj- Independent director.
Awards and Recognitions

During the year under review, the Company received National level recognition and awards like:

a) Nasscom DSCI Excellence Award - RCOM won this prestigious award for security in telecom sector for its innovative IT Security and Privacy efforts which focuses on robust risk management and compliance.

b) IT EDGE Award - RCOM is the only Telco to receive this year for IT, given by UBM. It is awarded for our Innovative and Agile IT processes setup using TM forum standards, benchmarked in International arena.

c) IT Transformers Award by EMC - Awarded for Enterprise Storage Management innovative Solution which enables RCOM to virtualize the exponential storage requirements for Tier 1 applications through optimization and effective solution engineering of Storage, at the same time improving the SLAs for our businesses.

d) Amdocs Innovation Award - RCOM set the industry benchmark in customer experience, enhanced Customer loyalty and reduced Customer churn, increased productivity by decreasing the average handling time. Reliance Groupwide INFORMATION SECURITY strategy and deployment: for a Second year in a row.

e) The ‘INFOSEC Maestros’ Award: RCOM won this annual industry award for deploying the anti-DDOS Solution(Distributed Denial of Services) for real time protection from DDOS attacks.

f) The ‘Top 100 CISO’ Award: RCOM won this prestigious award for security in Telecom sector for ‘Automation of User Access Management’, an innovative IT Security and Data Protection solution focusing on robust Risk Management
Attrition Trends in Reliance Communication

"We bet on people," said Dhirubhai Ambani, the legendary founder. This is at the core of Reliance Communications’ business philosophy. Reliance Communications has believed in hiring world-class talent and supporting them with an enabling organizational framework.

They have already invested in 50,000 person training days and state-of-the-art e-learning facilities. They are introducing several progressive and employee friendly HR practices in e-HR, Employee Self Service, Performance Management System, 360° Feedback and Leadership Development initiatives.

Their Vision is to develop Global Leaders in India by providing them opportunities to learn through a comprehensive and contemporary framework of continuing education.

H.R Structure at Reliance Communications
CORPORATE HR: Activities taken up by Corporate HR are

- Policy making
- Implementing suggestions - HEWITT CONSULTANT
- Strategic planning

ENTITY HR: Activities taken up by Entity HR are

- Execution of policies and practices
- Targets for recruitment of Circle HR

CIRCLE HR: Activities taken up by Circle HR are

- Recruitment
- Appointment
- Training
- Payroll
- Employees issues

Although having a well defined H.R. structure Reliance faces a considerable amount of Attrition that is evident from the Exhibit No. 4.5 given below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total No. of Employees</th>
<th>Employees moved out</th>
<th>Attrition rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-2009</td>
<td>37150</td>
<td>7176</td>
<td>19.32</td>
</tr>
<tr>
<td>2009-2010</td>
<td>30974</td>
<td>3909</td>
<td>12.62</td>
</tr>
<tr>
<td>2010-2011</td>
<td>28065</td>
<td>4605</td>
<td>16.41</td>
</tr>
<tr>
<td>2011-2012</td>
<td>24460</td>
<td>5007</td>
<td>20.47</td>
</tr>
<tr>
<td>2012-2013</td>
<td>18653</td>
<td>4284</td>
<td>22.97</td>
</tr>
<tr>
<td>2013-2014</td>
<td>14169</td>
<td>2887</td>
<td>20.38</td>
</tr>
</tbody>
</table>

Exhibit No. 4.5: Attrition rate of Reliance Communications for six years
Based in the above table, the attrition trends in Reliance Communication can be shown graphically below in the exhibit No. 4.6:

**Exhibit No. 4.6: Attrition trends in Reliance Communications**

The above graph clearly shows a high level of attrition in Reliance Communications. In the year 2008-09 was 19.32%, in the year 2009-10 it was reported as 12.62 %., This again rose to 16.41 % in the year 2010-11 and hiked further in year 2011-12 and was 20.47%. The attrition rate witnessed maximum hike in the year 2012-13 and was 22.97%. Year 2013-14 noticed a slight reduction in Attrition rate which was 20.38%.

Based on the above attrition rates trend a survey was conducted of about 100 respondents who were the employees of Reliance Communication, out of which only 67 responded about the major reasons of high attrition in Reliance Communications was:

1) **Monetary Factors**: The foremost reason for high attrition in Reliance that cropped was poor salary structure. About 52% of the total respondents were of the view that the salary is not as per industry standards and more work is squeezed
out of them on low salary. Moreover some of the respondents also stated that they were not given any increments in past two years as promised on papers.

2) **Poor Career Growth**: The next major cause of Attrition as per 28% of the respondents in RCom was poor and unplanned career growth of employees. The urge to develop selves both professionally and personally is very strong among employees. The experience of being denied such opportunities is highly frustrating and often leads to attrition. The similar was the case in RCom where the training and developmental activities were less and succession planning was unplanned.

3) **Poor H.R Policies**: About 8% of the respondents i.e. the employees of RCom were of the view that H.R Policies framed by RCom are not employee friendly and due this their grievances and problems remained unheard most of the times. The retrenchment policies and Appraisal systems are not transparent. Unnecessary lengthy protocols are framed by H.R which creates lot of dissatisfaction the employees.

4) **Work- Life Imbalance and stress from overwork**: The working hours at RCom as per 6% of the respondents are too long and the provision of flexi timings is not generally given. This creates a imbalance between personal and professional life of employees. The ‘ Family-friendly policies’ generally absent and no such provisions of day care centers for children of female workforce, other recreational facilities like gyms etc are not present.
5) **Unstable organization structure:** Almost 3% of the respondents were of the view that the Central leadership at Reliance was too dominant and aggressive, thereby sometimes leading to poor decision making and there are frequent changes in the organizational structure. This creates a feeling of insecurity in the minds of the employees who seek other options and switch to other organizations with stable structure and thereby leading to attrition.

6) **Favoritism:** Another reason for attrition in RCom in the opinion of 2% of the respondents was the undue favoritism shown the supervisors towards staff. Those who see their colleagues being given more responsibilities, praise, interesting tasks or quick promotions and pay hikes – when it is not justified- develops a negative feeling in hardworking employees who feel dissatisfied and often quit.

7) **Organization more concern towards business:** About 1% of the respondents were of the view that RCom was more focused on gaining market shares and profits and was more of customer – centric organization rather than focusing on employee welfare. Hus the employees feels de-motivated and hence quits.

8) **Lack of respect, Recognition & Rewards:** More than monetary factors, respect is the core requirement of any job. 1% of the respondents stated that their innovative ideas are often not properly recognized or given importance. This acts as a barrier in further new developments in RCom. The reward systems are too outdated and unclear, thereby forcing employees to bring in the thoughts of quitting RCom.
Retention Practices in Reliance Communications

As per Mr. Rajan Dutta - president Corporate-H.R, RCom,” we have benchmarked with the best in the industry in each and every H.R policy”. The key focus areas have been on:

a) Driving Employee Engagement
b) Creating Performance Driven Organization
c) Attracting and Retaining Talent
d) Building Leadership Bandwidth

Owing to high attrition RCom is planning effective retention strategies which are as follows:

1) To motivate employees and develop a Performance driven organization, field sales teams have been covered under various Monthly and Quarterly Incentive schemes designed to reward consistent high performers differentially while ensuring a large employee population get paid out on a regular basis. Other employees are covered under the Performance Linked Incentive Policy aimed at aligning deliverables of an individual employee to the ultimate organization objectives of achieving the Revenue and EBITDA targets.

2) Reliance Communication follows the cost to company (CTC) structure that reflects the total cost of an employee to an organization. It is designed to provide flexibility to an employee to structure their benefit package.

3) Provident Fund

Provident fund is to provide Social Security Benefit to the employee after retirement. PF is deducted from the first day of employment. The Company
Reliance Communications

Chapter 4.4

deducts 12% of the employee’s basic salary and makes an equal contribution. The employee can take loans for specific purposes against his/her provident fund accumulation.

The employee is also covered under an Insurance Scheme, which provides for a payment of Rs. 37,000/- in case of his/her death.

4) CHOICE PAY

This constitutes up to 60% of the total annual compensation and it includes

- Company Leased Accommodation
- Company Owned Accommodation
- Office Wear Allowance
- Leave Travel Allowance
- Company Leased Car
- Children Education Allowance
- Gift Coupons
- Conveyance Allowance
- Food Coupons
- Medical Expense
- House Rent Allowance
- Superannuation
- Special Personnel Allowance.

5) Capability and Competency Development has been an on-going activity with focus on functional and behavioral skills development. Cross functional competency development
programs are enabling career growth for employees across functions. Development of Leadership talent has enabled the Company to fill up most of the Leadership positions internally. A series of employee communication and engagement events have been organized involving employees and their families to create an ‘Engaged People Organisation’. It has been also the Company’s endeavor to make its policies, processes and procedures more transparent, employee friendly and relevant, in line with the best industry practices. During the year, the Company has successfully met the manpower skill requirements emerging from our expanding and evolving business.

6) On December 28, 2002, Reliance Communications launched the Reliance Developer Programme (RDP). Dhirubhai Ambani believed that people were India’s greatest strength, which if nurtured, could transform India into a great nation. In keeping with his vision, RDP focuses on creating a developer community that will create applications that delight, stimulate, entertain, educate and simplify people's lives and enrich their communications experience.

Reliance Developer Programme is the ideal entry point for those wishing to use Reliance telecom infrastructure to develop a marketable idea. Reliance is keen to assist anyone with a good idea – from established companies to entrepreneurial individuals, from university community to business professionals.

The objective of Reliance Developer Programme is to help unlock the talent and ideas that would normally struggle to come to fruition. The sharing of knowledge in the
Developer Portal will forge valuable relationships and help to develop these concepts. Together, these ideas can be converted into products and services that have great market potential.

**Impact of Retention strategies on the satisfaction level of the employees in Reliance Communications**

Reliance Communications is committed in making itself a “great Place to work” and hence their pursuit have been to drive “Employee engagement” through multiple platforms, events and extensive employee communication involving employees and their families. They are relentlessly driving capability, leadership and culture building and acquiring and developing and retaining quality talent. Their leadership development process are aligned to the Reliance DNA, which identifies high potential talent on periodic basis and provides necessary learning interventions to help them take on larger responsibilities and roles.

But despite all these efforts the salary structure and the growth path are ver poor and not well designed in Reliance Communications. Only 38% of the total respondents were satisfied with the organization and its H.R policies. Thus, this low employee satisfaction level can be attributed to the high attrition rates in reliance ranging from 20% to 23% for the period under study.

Although Reliance Communications has always strived to create an employee friendly environment but due to aggressive and dominant nature of the top management, employees feel themselves alienated from the organization. About 78% respondents were of the view that company failed to understand their problems and expectations. Thus,
based on the date of attrition trends, it can be easily observed that the existing H.R. policies are highly ineffective and in order to survive and sustain its efficient workforce, Reliance Communication needs to re-engineer and re-design its policies to motivate its employees so as to reduce the problem of attrition.

**********************************
Chapter 4.5 – Idea Cellular

Idea Cellular is an Aditya Birla Group Company, India's first truly multinational corporation. Idea is a pan-India integrated GSM operator offering 2G and 3G services, and has its own NLD and ILD operations, and ISP license. With revenue in excess of $4 billion; revenue market share of nearly 15%; and subscriber base of over 121 million in FY 2013, Idea is India’s 3rd largest mobile operator. Idea ranks among the Top 10 country operators in the world with a traffic of over 1.5 billion minutes a day. Idea’s robust pan-India coverage is built on a network of over 100,000 2G and 3G cell sites, spread across over 55,000 towns in India.

Using the latest in technology, Idea provides world-class service delivery through the most extensive network of customer touch points, comprising of nearly 4,500 exclusive Idea outlets, and over 7,000 call centre seats. Idea’s customer service delivery platform is ISO 9001:2008 certified, making it the only operator in the country to have this standard certification for all 22 service areas and the corporate office.

Idea has consistently stayed ahead of the industry in VLR reporting. Idea’s thought leadership on Mobile Number Portability (MNP) has enabled it to stay as the top gainer with highest net gain. Every 4th mobile user who exercises choice through MNP, prefers Idea.
Idea offers a range of high-speed mobile broadband devices including Android based 3G smartphones, dongles etc. Idea’s wide portfolio of 3G smart phones offer the latest in 3G applications and high-end data services such as Idea TV, games, social networking etc. at most affordable prices. Idea has been a pioneer in introducing customized product offerings for segmented customers. It is the first mobile operator to introduce innovative value added services in the Indian telephony market, and has remained ahead of the industry in data product offerings.

Idea has received several national and international recognitions for its path-breaking innovations in mobile telephony products and services. Idea won the prestigious ‘NDTV Business Leadership Award’ in the Telecom category for its solid, consistent performance in 2012. It was the Winner of ET Telecom Awards 2012, in the categories - ‘Customer Experience Enhancement’, ‘Excellence in Marketing’, and ‘Innovative Products’. Idea also won the ‘Best Ad Campaign of the Year’ award for the popular Honey Bunny campaign at the Tele.Net Telecom Awards 2012.

Idea is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) in India. Idea has been ranked #1 in the Telecom sector in “India’s Best Companies to Work for Study – 2013 and the "Best Place to Work" at the Asia Communication Awards 2013.

**Mission**

"We will Delight our Customers while meeting their individual communication needs anytime anywhere"

We survive because of our customers
Values

➢ **Integrity - Honesty in Every Action.**

At Aditya Birla Group, Integrity is defined as: Acting and taking decisions in a manner that is fair, honest, following the highest standards of professionalism and also perceived to be so. Integrity for us means not only financial and intellectual integrity, but in all other forms as are commonly understood.

**Key words that connote Integrity are:**

- Ethical
- Truthful
- Principled
- Transparent
- Upright
- Respectful

➢ **Commitment - Deliver on the Promise**

At Aditya Birla Group Commitment is defined as: On the foundation of integrity, doing whatever it takes to deliver value to all stakeholders. In the process, taking ownership of our actions and decisions, those of our team and that part of the organization that we are responsible for.
Key words that connote Commitment are:

- Accountability
- Discipline
- Responsibility
- Result-orientation
- Self-confidence
- Reliability

➢ **Passion - Energized Action**

At Aditya Birla Group Passion is defined as: A missionary zeal arising out of emotional engagement with the organization that makes work joyful and inspires each one to give his or her best. Relentless pursuit of goals and objectives with the highest level of energy and enthusiasm, that is voluntary and spontaneous.

Key words that connote Passion are:

- Intensity
- Innovation
- Transformational
- Fire-in-the-belly
- Inspirational
- Deep sense of purpose
Seamlessness - Without Boundaries in Letter and Spirit

At Aditya Birla Group, Seamlessness is defined as: Thinking and working together across functional silos, hierarchies, business and geographies. Leveraging the available diversity to garner synergy benefits and promote openness through sharing and collaborative efforts.

Key words that connote Seamlessness are:

- Teamwork
- Integration
- Involvement
- Openness
- Global
- Learning from the best
- Empowering

Speed - One Step Ahead Always

At Aditya Birla Group, Speed is defined as: Responding to internal and external customers with a sense of urgency. Continuously seeking to crash timelines and choosing the right rhythm to optimize organization efficiencies.

Key words that connote Speed are:

- Response time
- Agile
Idea Cellular

Chapter 4.5

- Accelerated
- Timelines
- Nimble
- Prompt
- Proactive.

Board of Directors

- Mr. Kumar Mangalam Birla (Chairman)
- Smt. Rajashree Birla
- Mr. Himanshu Kapania (Managing Director)
- Mr. Arun Thiagarajan
- Ms. Tarjani Vakil
- Mr. Mohan Gyani
- Mr. Gian Prakash Gupta
- Mr. R.C. Bhargava
- Mr. P. Murari
- Ms. Madhabi Puri Buch
- Mr. Biswajit A. Subramanian
- Dr. Rakesh Jain
- Mr. Sanjeev Aga
- Mr. James Maclaurin
Key People at Idea Cellular

Management Team

Mr. Himanshu Kapania  
Managing Director

Mr. Ambrish Jain  
Deputy Managing Director

Mr. Akshaya Moondra  
Chief Financial Officer

Mr. Anil K Tandan  
Chief Technology Officer

Mr. Prakash K Paranjape  
Chief Information Technology Officer

Mr. Navanit Narayan  
Chief Service Delivery Officer
Mr. Vinay Razdan  
Chief Human Resources Officer

Mr. Rajat Mukarji
Chief Corp Affairs Officer

Mr. Rajesh Srivastava
Chief Commercial Officer

Mr. P Lakshminarayana
Chief Operating Officer

Mr. Sashi Shankar
Chief Marketing Officer

Mr. Pankaj Kapdeo
General Counsel and Company Secretary
Awards & Recognition

Corporate Awards:

- Bagged the Amity Leadership Awards- 2013 in leveraging IT in Telecommunications Sector
- Winner of the Citizen Journalist Awards- 2013
- Idea CTO Anil Tandan won the 'CTO of the Year Award' at Voice & Data Awards 2012
- 'Emerging Company of The Year Award' : Economic Times Corporate Excellence Award 2009
- 'Mobile Operator of the Year - India' : Asian Mobile News Awards in 2007 & '08

Marketing Awards:

- Winner of ET Telecom Awards 2012, in the categories, 'Excellence in Marketing', and 'Innovative Products'
- 'Golden Peacock Award 2008' for Most Innovative Product & Services

HR Awards:

- No.1 Telecom Operator Brand of choice by Great Places to Work For in 2011
- Featured in the, 'Best Companies to Work for' Survey by BT in 2010
As per the 10th BT Survey conducted along with "Indicus" & "Peoplestrong" (Analytics & Consulting companies) in Best Companies to Work For – Idea ranked in the Top 3 of Telecom & Allied Companies sector.

Idea Cellular Ltd has been ranked #1 in the Telecommunications sector as part of India's Best Company to Work Study in 2013 and in the previous participation year 2011 as well.

It has Ranked #17 in the overall ranking of India's best Companies to Work for 2013 amongst 550 companies which had participated across sectors on an All India basis.

Idea has been awarded the "Best Place to Work" at the Asia Communication Awards 2013. These awards recognize the achievements of best telecom companies across Asia.

**Attrition trends in Idea Cellular**

Idea believes that human capital plays a vital role in the firm’s ability to compete in the global economy and considers it at the heart of its success. To this end, Idea strives to foster a working environment which is conducive for a productive workforce, and ensures their continued well-being and development. Idea believes that an energetic, intuitive zeal from emotional engagement makes work joyful and inspires every employee to give his/her best to the organizational vision and objectives.

The importance, the Company places on its human resources is evident in the Chairman’s belief given below:
“Without ‘people power’ even the best of operational and strategic thinking will come to naught”- Chairman, Idea.

Idea has been able to maintain a high level of employee motivation along with sustaining growth in an extremely challenging business environment. The scores on employee engagement and internal communication at Idea have improved steadily over the years. The rate of participation of employees in various surveys as well as the satisfaction levels have also improved significantly. As a result of its strong focus on human resources development, Idea enjoys high levels of employee satisfaction and retention. But despite all this Idea still faces certain percentage of Attrition and the rate although fluctuating is more or consistent. This can be shown by the exhibit 4.7 given below which clearly depicts the attrition rates across six years i.e. from 2008-09 to 2013-14.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total No. of Employees</th>
<th>Employees moved out</th>
<th>Attrition rate (in Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-2009</td>
<td>6107</td>
<td>512</td>
<td>8.38</td>
</tr>
<tr>
<td>2009-2010</td>
<td>6481</td>
<td>374</td>
<td>5.77</td>
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<td>2010-2011</td>
<td>6763</td>
<td>282</td>
<td>4.17</td>
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<tr>
<td>2011-2012</td>
<td>7282</td>
<td>425</td>
<td>5.84</td>
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<tr>
<td>2012-2013</td>
<td>7661</td>
<td>372</td>
<td>4.86</td>
</tr>
<tr>
<td>2013-2014</td>
<td>10505</td>
<td>612</td>
<td>5.83</td>
</tr>
</tbody>
</table>

Exhibit No. 4.7: Attrition rate in Idea Cellular in past six years
The above data can be graphically represented as follows in the exhibit no. 4.8.

![Attrition rate in Idea Cellular](image)

**Exhibit No. 4.8: Attrition Rate trends in Idea Cellular.**

The above graph clearly shows that the attrition rate was 8.38% in the year 2008-09, which declined to 5.77% in 2009-10 and was least 4.17% in the year 2010-11. The year 2011-12 again witnessed a rise in attrition rate which became 5.84%, but in the year 2012-13 it again fell down to 4.86%. The year 2013-14 showed a rise in the Attrition rate which became 5.83%.

A survey was conducted among 80 employees of Idea cellular (out of which 74 responded) to find out the probable causes of Attrition in Idea Cellular. The following reasons were found:

1) **Monetary Factors:** Salary and incentives associated with it is the main determinant of employee Attrition in any organization. Majority of respondents i.e. about 48% of the respondents were dissatisfied with the existing salary structure of Idea Cellular and felt that salary in their organization is not benchmarked as per the best in the industry. This discontent was contributing to persistent attrition.
2) **Stress from work overload & Work-life imbalance:** Today a major concern in business is Workplace flexibility. The one thing becomes very clear that this survey brought out whereby almost 25% of the respondents were of the view that money alone is not enough; employees are willing to trade a certain amount of money for reduced work hours in their schedules. The respondents said that reduced work hour options have the potential of win-win situation for both individuals and organizations, there should be a fit between the schedule the person needs and the actual number of hours worked. Distress and fatigue from excessive time on job can lead to decline in performances of the employee and also it affects the safety level. The impact made by the non-work factors such as job stress and burnout on worker intent to shift from the organization and also the roles that cause job stress, work-family clashes and the characteristics of the job lead the employee to leave the organization.

3) **Non Employee Centric & Confusing H.R Policies:** Another major reason of attrition that cropped up at Idea cellular as per 9% of the respondents was that the H.R policies framed by the organization are non transparent and non employee centric. The major emphasis was on achieving organizational goals even at the sake of employee welfare. The H.R policies were very confusing and not clearly understandable by majority of employees who remain in utter confusion about the provisions of leave. Work schedules, appraisal systems and other welfare activities and schemes.

4) **Lack of Career Growth:** Career development is a system which is organized, formalized and it’s a planned effort of achieving a balance between the individual career needs and the organization’s workforce requirements. It entails in creating opportunities
for promotion within the company and also providing opportunities for training and skill development that let employees to improve their employability on the internal and/or external labor market. But as per about 6% of the respondents the growth opportunities were very feeble and getting promotions is very tough task despite the amount of hard work one puts in. This create a feeling of discontentment among the employees who try to move to growth oriented organizations.

5) **Favoritism and biased supervisor**: As in today’s organization, diverse workforce is being utilized which arises the importance of supervisor and employee relationship for retention. Employees want trustful supervisors who know them, understand them and treat them fairly. Abusive supervisors create conflicts in worker’s attitude for job, life and organization. But 5% of the respondents in Idea Cellular opinioned that the lots of favoritism and biasness prevailed specially in middle management level and they hardly get anything they deserved i.e. Sometimes, due to some internal politics, some good people doesn't get their dues in time which actually can lead to losing asset employees.

6) **Communication gaps between employees and Management**: About 4% of the respondents at Idea Cellular i.e. the employees were often faced the problem of voicing their problems to top management as there are no proper forums for the employees and moreover there are too lengthy and unnecessary protocols to be followed which was too frustrating who felt helpless and thus this creates a dissatisfaction in their minds who seek better places to work.

7) **Lack of Challenges in Job**: In order to create a good workplace and keep their employees motivated it has been essential to continuously bring about new challenges in
their jobs. In the survey conducted about 2% of the respondents in Idea Cellular felt stuck and bored by their drab and monotonous work schedule with no job rotation and no new challenges or responsibilities to handle. Some of the respondents also felt that pace of organization was too slow and no such innovative concepts were followed by the organization as followed by the other competitors in the emerging latest technologically advanced telecom sector. This also been one of the factors in Attrition at Idea Cellular.

8) **Lack of Appreciation and rewards:** Employees who feel esteemed will actively take part in organization’s goals, exhibit prolific workplace behaviors such as increased in job involvement, reduced absenteeism and have less turnover rates. The means by which support from a supervisor can be revealed is by formal and informal recognition. In organization workforce responds to praise, encouragement and support, no matter the environment is personal or professional. Rewards are very important for job satisfaction because it fulfills the basic needs as well as helps to attain the higher level of goals. A reward can be extrinsic or intrinsic it can be a cash reward such as bounces or it can be recognition such as naming a worker employee of the month, and at other times a reward refers to a tangible incentive, reward is the thing that an organization gives to the employee in response of their contribution or performance so that the employees become motivated for future positive behavior. This type of reward systems and lack of appreciation and recognition was felt missing by 1% of the respondents who were of the view that they felt de-motivated when there is no appreciation of their innovative ideas or hard work leading to dissatisfaction and attrition.
**Retention Practices in Idea Cellular**

Respect for employee rights and genuine needs, which include non-discrimination, work-life balance, safety and dignity, forms the basis of the Company’s policies and practices. The Company follows all applicable legal requirements in this regard. Idea relentlessly works on monetary and non-monetary recognition systems to reward employees for their achievements. This reinforces faith in shared values and strengthens the organizational culture, while helping it to retain employees.

Fostering a sense of pride amongst their employees about their association with Idea is an integral part of their culture. This is best expressed in the words of our Chairman’s Mr. K.M Birla, who said, “I believe that great and lasting businesses are never built on the quick sands of opportunism. If living by our values means, perhaps growing at a pace slower than we would otherwise have liked, so be it.”

As a Pan India organization with diverse markets and cultures, what binds each and every employee of Idea are the core 5 values – Integrity, Commitment, Passion, Seamlessness and Speed.
As part of their efforts to create an inspired work place, they offer a world of opportunities to their employees. People are empowered to take responsibility early in their career. Idea has a culture of openness, empowerment and transparency. According to Mr Piyush Aren, Assistant Manager, HR, “The thing that I liked the most about IDEA Cellular is the open culture. The continuous help and assistance that I was provided with by my mentor was a great motivation. Personally, I think Idea Cellular gives a lot of freedom to the employees to achieve organizational success and that is an immense motivation”

As part of their efforts to create an inspired work place, they offer a world of opportunities to their employees. Their people are empowered to take responsibility early in their career. They have a culture of openness, empowerment and transparency.

The following four tenets which is articulate in their employee value proposition (EVP)

1. **Opportunities to build careers**

   - Ensuring that 70% of leadership positions are filled internally from talent within the business
   - Encourage and facilitate movement of talent internally
   - Leverage Internal Job Posting (IJP) to create a strong internal market that will provide career opportunities for junior, middle and senior manager across the business
   - Established a career support service for employees through career portals, train line manager as career coaches
2. **Opportunities to learn and develop**

- Provide adequate financial support to learning in good times and bad times
- Building specific skills in managers through cutting edge functional skills, leadership training, behavioral competencies, knowledge integration programs, career stage programs, knowledge management etc.

3. **Opportunities to be rewarded and recognized**

- Clear linkage of reward to performance
- Total rewards strategy with combination of base compensation, short term incentives and long term wealth creation opportunities

4. **Opportunities for an enriched life**

- Employee wellness initiatives depending on demography and local needs
- Employee assistance program through use of technology, counseling, employee services, common interest groups, leave to pursue personal areas of interest
- Education facilities for employees’ children, scholarship for higher studies, family care, etc.

**Learning Opportunity**

We facilitate the development of our people around 70/20/10 framework through "on the job" development, "relationship led" learning and "instructor led" development.
1. On the Job Learning (70)

- Idea provides a wide variety of challenging roles to its employees in respective functions they have been hired for at different circles. This ensures that they undergoes on the job learning by the independent handling of a role. The talent mobility (Role Change) provides a systematic framework to accelerate the development of the Talent pool in Idea by leveraging the various career opportunities across the business.

2. Relation Led Learning (20)

- Cross functional Projects
- Transformation projects
- Performance Coaching
- Mentoring

3. Instructor Led Learning (10)

- Experiential Learning – Experiential learning is done through intensive human process lab, whose core essence is to move from "Managing to Leading in one's life.
- Management School - A week long residential program for various management levels and high potential senior managers by providing strategic cross-functional exposure as well as competency based inputs to prepare them for General managerial roles.
• E-Learning/ Webinar – A bouquet of internet based high quality E-Learning courses are available to all employees, which are designed for self learning with convenience and time. All the courses have certifications from Gyanodaya.

• Management Development Programs – The employees get opportunity to attend MDP’s from the top Indian & International business schools.

• Out of classroom training- These are the Initiatives focused around the overall development of an employee – from holistic living to knowledge based articles.
  1. Disseminating management articles from magazines like HBR, Mckinsey and sharing summary of popular management books & developmental literature
  2. Screening of management videos, organizing small management games, Guest Lectures - aimed at dialogues with a guest speaker.

• Books & Journals – Every Circle Office have a physical library with choicest collection of books and journals.

• Gyanodaya – The Aditya Birla Institute of management learning designed for managers, which conducts more than 80 certified, free of cost programs in a year. To provide quality programs we collaborate with some of the best learning institutions and experts across the world

In order to develop and build an environment that facilitates employee development, encourages open and transparent communication, Idea has instituted various initiatives, some of which are outlined below:

_! NVEST - Framework for enabling career conversations
_! Aspire – Framework of internal development centres for high potential and high performing employees

_! Evolve – ‘Competency based grid’ training framework to develop people through different interventions on competencies

_! Mitra - Employee query / request management tool

_ Pragya Initiative – Building a culture of inclusion based on gender diversity

➢ Further, Idea actively engages with its employees through various forums like ‘Samvaad’, ‘MD’s chat’, ‘Team Meets/Town Halls’ and ‘Idea Connect’.

In an effort to enhance employee satisfaction, the Company has developed a formal process (‘VOICE’) which provides the employees across the organization a platform to voice any unresolved workplace concerns and seek resolution in a fair and transparent manner. Under this initiative, Employee Satisfaction Champions and Employee Satisfaction Teams have been entrusted with the task of addressing employee concerns as per a defined process.

**Impact of Retention strategies on the satisfaction level of the employees in Idea Cellular**

The human resource philosophy and strategy of Idea Cellular has been designed to attract and retain the best talent, creating a workplace environment that keeps employees engaged, motivated and encourages innovation. This talent has, through the strong alignment with the company’s vision has successfully built and sustained Company’s standing as one of the India’s most admired and valuable corporation, despite unrelenting competitive pressures. Idea Cellular has fostered a culture that rewards continuous
learning, collaboration and development, making it future ready with respect to challenges posed by ever changing market realities.

Idea Cellular with its excellent retention strategies and practices has faced minimum attrition with declined from 8% in 2008-09 to 6% in the year 2009-10 and then further declined to 4% in 2010-11 and thereafter from 2011-12 to 2013-14 have managed to maintain an average attrition rate of nearly 6%. The level of satisfaction level of the employees can be judged from the fact that Idea Cellular is voted No. 1 place to work in Great place to work survey 2014. Almost 96% of the respondents were highly satisfied with their company and its H.R. policies. The innovative platform “Voice” which provides a formal platform to employees to voice their work related issues and concerns and get them resolved easily has been described as the best retention tool by the respondents. Thus, Idea Cellular with its well designed retention practices stands out as best employer of telecom sector whose policies can be benchmarked by other companies to curb the menace of Attrition.
Chapter No. 4.6: Comparative Analysis Of Attrition Rates Of Select Telecom Companies

After a detailed analysis of the Attrition trends in the select telecom companies i.e. Vodafone, Idea Cellular, Bharti Airtel & Reliance Communications, the following comparative analysis of the Attrition rates of the year 2013-14 is shown in the exhibit no. 4.9 below:

**COMPARATIVE ANALYSIS OF ATTRITION RATES FOR THE YEAR 2013-14**

<table>
<thead>
<tr>
<th>NAME OF TELECOM COMPANIES</th>
<th>IDEA</th>
<th>AIRTEL</th>
<th>VODAFONE</th>
<th>RELIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEAR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013-14</td>
<td>5.83</td>
<td>9.94</td>
<td>15.9</td>
<td>20.38</td>
</tr>
</tbody>
</table>

Exhibit no. 4.9

The above table can be graphically represented as follows in the exhibit no.4.10:

Exhibit no. 4.10: Comparative analysis.
Comparative Analysis of Attrition Rates

The graph above clearly shows that the highest Attrition rate in the year 2013-14 was reported in Reliance communications i.e. 20.38 % which occupies about 39 % in 360 degree pie chart, this followed by Vodafone which is 15.9% occupying 31% of the pie chart. Bharti Airtel ranks third in the able with 9.94% of attrition i.e. 19% of the pie chart. The lowest Attrition rate is reported in Idea Cellular i.e. 5.83% occupying 11% of pie chart.

The above graph clearly shows that Idea Cellular has the lowest attrition and effective retention tools which motivates its workforce to remain with the organization loyally.

**Comparative analysis of impact of retention strategies on satisfaction of the employees of the select telecom companies**

The problem of attrition is a burning issue for the H.R practitioners around the globe. The companies spend huge amount of money and time to formulate various retention tools and techniques to motivate and retain its existing workforce and attract new talents. These retention tools if effective have a significant impact on curbing attrition, thereby making the organization ‘Great place to work’. An effective retention practices helps to improve the morale of the employees and improves their productivity and innovativeness, this can be judged by their satisfaction levels towards their workplace.

An attempt was made by the researcher to find out the impact of retention strategies that were formulated by these select telecom companies namely Vodafone, Bharti Airtel, Reliance Communications and Idea Cellular, on the satisfaction level of their employees. The following graph shows the views of the respondents of the select telecom companies as how satisfied they are about the existing retention strategies of their respective organizations.
Comparative Analysis of Attrition Rates

Chapter 4.6

Comparative graph of impact of retention strategies on the satisfaction level of the employees

Exhibit no. 4.11: Comparative graph of impact of retention strategies on the satisfaction level of the employees

The above graph clearly indicates that most satisfied employees belong to Idea Cellular with satisfaction level as high as 98%, followed by Bharti Airtel 85%, Vodafone 51% and least satisfied are the employees of Reliance communications i.e. 38%. These percentages of satisfaction levels are an indicator of the employee engagement towards their organization and the success of H.R. policies in curbing attrition. These percentages of employee satisfaction are also indicative as to which organization needs to gear up and reform its retention policies to retain and attract best talents in the market.