

How employees choose their employers

Career opportunities and pride in the organization are the top factors behind employees' willingness to stay with a company for a long time

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The total money invested in Indian mutual funds has more than doubled in the last five years alone, according to the India Brand Equity Foundation. Even so, the penetration of mutual funds in the Indian population is still quite low, i.e., just about 3%. This is much lower than developed countries—in the US the penetration is over 40%.

The landscape highlights the immense scope for the financial services industry in India. This is also true in case of the banking and credit organizations and digital payments sector, which are tapping into tier-2 and tier-3 markets and enjoying support from the government's robust push for financial inclusion and digitalization. Till December 2017, for example, more than 300 million bank accounts had been opened under Pradhan Mantri Jan Dhan Yojana.

The opportunity, however, comes with the challenge of managing the scale of growth.

Organizations in this sector share three major areas of focus on the talent front: acquisition of talent, retention and skill upgradation for hybrid and cross-functional roles.

The expected growth in manpower also calls for the need for skilled people managers who can handle large, diverse and multi-locational teams efficiently. In addition, organizations need to fast adapt to technologies that can keep people across hundreds of offices in India connected and engaged. This will also help people in focusing on value-adding tasks across multiple domains while technology takes care of the transactional requirements.

This is particularly important for organizations which are building their people resources to perform hybrid, generalist roles in response to the dynamic market demand and want them to focus on value-adding

tasks across multiple skill sets. In addition, the rising adoption of digital channels by customers calls for employees to be equally proficient in the digital way of life.

Fifteen organizations recognized as the best places to work in the BFSI (banking, financial services and insurance) industry by Great Place to Work Institute, India, have turned these "people" challenges into their strength. With its holistic and credible dual-lens methodology, Great Place to Work Institute has been assessing workplace cultures across hundreds of organizations in India for over a decade.

The first lens looks at workplaces from employees' perspective and assigns 2/3rd weightage to the voice of employees. The remaining 1/3rd is assigned to the strength of people practices implemented across the organization. If we look at talent acquisition, one of the benefits enjoyed by the best workplaces in the financial services industry is a higher rate of employee referrals (see chart 2). In a scenario of huge talent demand, employee referrals serve as a relatively quick, reliable and viable source of talent. On an average, 44% new hires in the best workplaces in the financial services industry were sourced through employee referrals, as against 32% in the rest of the workplaces.

Giving a new meaning to 'proactive', American Express has launched a new mobile referral tool called 'Get Referred', which gives an opportunity to candidates applying for an open position to request a referral directly from an American Express employee who is a member of their LinkedIn network. Since its launch, this new platform has enabled 2,000 additional referrals every month. Interestingly, 80% of the front-line staff hiring in Bharat Financial Inclusion Ltd is done through referrals made by their customers. This helps them in hiring the right talent with the same social strata as their customers. Going digital, many of the best

Chart 1: Top BFSI workplaces in 2018

Company*	Company head
▶ Aditya Birla Sun Life AMC	A. Balasubramanian
▶ American Express India	Pradeep Kapur
▶ Apollo Munich Health Insurance Company	Antony Jacob
▶ Bajaj Allianz General Insurance Company	Tapan Singhel
▶ Bajaj Finance	Rajeev Jain
▶ Bharat Financial Inclusion	M.R. Rao
▶ Mahindra & Mahindra Financial Services	Ramesh Iyer
▶ Mahindra Insurance Brokers	Jaideep Devare
▶ Mahindra Rural Housing Finance	Anuj Mehra
▶ Max Life Insurance	Rajesh Sud
▶ Motilal Oswal Financial Services	Motilal Oswal
▶ Piram Finance	Khushru Jijina
▶ Reliance Nippon Life Asset Management	Sundeeep Sikka
▶ Synchro International Services	Faisal Uddin Khan
▶ Ujjivan Small Finance Bank	Sarmit Ghosh

*Company names in alphabetical order. Source: Study of workplace cultures in the BFSI sector in India by the Great Place to Work Institute

NAVEN KUMAR SAINI/MINT

workplaces have also adopted the means to conduct virtual interviews (live or pre-recorded) using tools like video conferencing and Skype. Aditya Birla Sun Life Asset Management Co. has set an example of embracing technology as a way of life by taking a majority of the employee functions online, from recruitment to onboarding, recognition, communication with senior management, submission of ideas and learning.

The best workplaces also enjoy a lower rate of attrition (see chart 2). Over the last one year, the volun-

ted attrition rate in the best workplaces in the financial services industry was seen to be 18%, significantly lower than the 24% in the rest of the workplaces. Bajaj Finance has launched an attrition forecasting model, using predictive analytics, which has helped in reducing attrition levels. Mahindra Rural Housing Finance Ltd piloted an initiative called 'Train to Retain' with branch managers of 57 branches with high attrition rates. The program aimed at improving managerial skills by focussing on the people management aspect and

resulted in 41 branches showing an improvement in retention. So what makes people stay with these best companies? Research by Great Place to Work Institute, India, has found that visibility of career opportunities and pride in the organization are the top two factors, which are likely to have the highest impact on employees' intent and willingness to stay with their organization for a long time.

Addressing the need for a robust career path, organizations in the overall BFSI sector have introduced internal job movements, job rotation and cross-functional exposure to add to the relatively limited opportunities offered by vertical movement. More than 700 employees in Bajaj Finance move through internal job postings every year. The sheer volume poses a challenge of ensuring smooth and successful transition of employees that can help them become successful performers in the new role.

Bajaj Finance facilitates this superbly through a programme called 'Super Manager Studio'. A combination of online and classroom-based pedagogy, this programme takes the participants through a theatre-based depiction of actual workplace scenarios in order to develop people manager skills, among other things. The best workplaces in the financial services sector boast of an internal promotion rate of 57% among senior management employees, significantly higher than 22% in the rest of the workplaces (see chart 2). Practices like these have resulted in 18% more employees in the best workplaces reporting a positive perception on visibility of career opportunities as compared to the rest of the workplaces, hence increasing the chances of retention.

Additionally, the pace of growth calls for a continuous investment in training and development so that talent can constantly deliver on the job. The financial services industry, in particular, needs to fulfill the

demand for technical and domain training as well as behavioural training, especially for the customer-facing staff. Ujjivan Small Finance Bank Ltd pays careful attention to the development of training content, with the active involvement of senior leaders, careful selection of trainers and field visits to ensure that the content is highly relevant and customized. What is interesting is that the best workplaces have designed their training interventions in a manner that leads to employees clocking 140% more training time with 23% lower per-employee cost than the rest (see chart 2).

While penetration in untapped customer segments is on the rise in the insurance industry as well, the incidence of IPOs (initial public offerings), mergers and consolidations has also been higher than usual in the last couple of years.

With the launch of the government's universal health insurance scheme, opportunity is only going to grow. This also calls for adoption of technology to handle the scale of the expanding business and cater to the increasingly tech-friendly customer segment.

Mahindra Insurance Brokers Ltd has launched a self-paced, on-the-go mobile app called 'Handy Train' to deliver training content to the feet-on-street employees. Replacing exhaustive training modules with bite-sized multimedia content, this intervention has significantly reduced training cost and improved training delivery for the organization.

The biggest challenge for insurance companies, however, still remains that of getting manpower and retaining skilled resources.

In order to generate a ready pool of trained people resources, Apollo Munich Health Insurance Co. Ltd has partnered with Manipal Global Academy to conduct a one-year

course in insurance sales. On successful completion of the course, the student is guaranteed a job with Apollo Munich Health Insurance Co. Ltd in one of their retail sales channels. This also helps in addressing the wide gap between the academic curricula and industrial requirements.

Best workplaces in the insurance industry have also been the first to tap into career growth as an opportunity area to drive higher retention. Employees at Max Life Insurance are encouraged to take certificate programmes from Life Office Management Association, International Claims Association, The Academy of Life Underwriting and Institute of Actuaries of India on the basis of their requirement. The 'My Job My Choice' platform of Bajaj Allianz General Insurance allows employees to share their desired job profile (for the next three years) and mobility preference online.

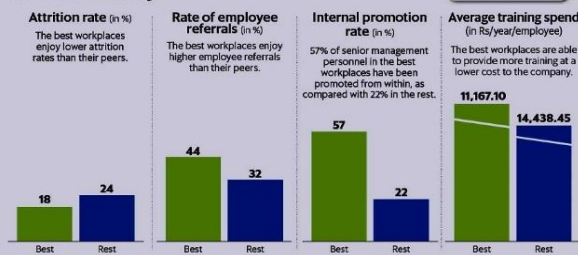
The organization considers the employees for job profiles matching their preferences as per availability. Practices like these have led to a 12% lower rate of attrition and 1.3 years higher average tenure in the best workplaces in insurance industry. The next few years will bring in interesting challenges for this industry. In the era of digital, this sector will see an even stronger rise of fintech companies. This will create jobs and also become an attractive employment choice for current talent from BFSI industry.

Defining a strong employee value proposition and creating a strong on-ground experience for employees will become imperative differentiators when talent chooses their employers.

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Chart 2: Key success factors for growth in financial services industry



Success factors for growth in insurance industry

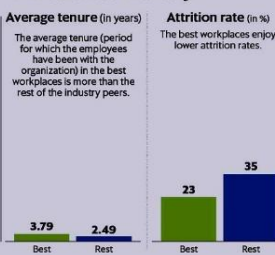


Chart 3: Employee engagement in BFSI sector



Source: Study of workplace cultures in the BFSI sector in India by the Great Place to Work Institute

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