

EMPLOYEE RETENTION STRATEGIES ADOPTED BY THE BANKS: A CASE STUDY OF AXIS BANK IN KALYAN CITY

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Abstract : ‘Employee Retention’ is a very important component of Human Resource Management (HRM), as it is a natural building block of an organization. Profit and goodwill is being generated by the organization through the human resources. So, there must be an effective planning to retain these employees.

Keywords: employees Retention, job satisfaction, strategies, banks, motivation.

INTRODUCTION

Employee retention is an effort by a business to maintain a working environment which supports current staff in remaining with the company. Many employee retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training the staff.

Today, the prime challenge for the banking sector is retention of the employees, as the behavior of employees has been changed and these young employees always ready to switch over whenever he or she dissatisfy with any reason in the job. They are not the ones who have only one opportunity to survive but they have many offers at hand at one point of time. It is more than just keeping the employees on the job. It is the main responsibility of the employer to keep the best employees in the banks. Employee retention is an effective mean or a way to maintain a workforce in banks which is both stable and sustainable. There are certain reasons for the employees to leave an organization. Expectations play an essential role to determine whether an employee is satisfied or dissatisfied with the current job. The stronger relationship the manager and employees have with each other tends to make the employees to stay with that particular organization for a longer period of time.

COCEPTUAL FRAMEWORK:



The above conceptual framework explains that the employee retention is a dependent variable which is being depended on the other dependent variables i.e. job satisfaction of the employees, which in turn depend on the independent variables like training and development, motivation and culture. This study

will consider all the variables which effects the employees retention strategy adopted by the banks.

ABOUT THE AXIS BANK:

Axis Bank Limited (formerly UTI Bank) is the third largest private sector bank in India. It offers financial services to customer segments covering Large and Mid-Sized Corporate, MSME, Agriculture and Retail Businesses. Axis Bank has its headquarters in Mumbai, Maharashtra.

Indian Business:

As on 31-Mar-2014, the Bank had a network of 2402 branches and extension counters and 12922 ATMs. Axis Bank has the largest ATM network among private banks in India and it operates an ATM at one of the world's highest sites at Thegu, Sikkim at a height of 4,023 meters (13,200 ft) above sea level.

International Business:

The Bank has seven international offices with branches at Singapore, Hong Kong, Dubai (at the DIFC), Shanghai and Colombo and representative offices at Dubai and Abu Dhabi, which focus on corporate lending, trade finance, syndication, investment banking and liability businesses. In addition to the above, the Bank has a presence in UK with its wholly owned subsidiary Axis Bank UK Limited.

Brand Ambassador:

Deepika Padukone, a well-known Bollywood Actress was appointed as the brand ambassador of Axis Bank.

Employees:

As on 31 March 2013, Axis Bank had 37,901 employees, out of which 7,117 employees were women (19%). The bank incurred INR 26.7 billion on employee benefits during the FY 2012-13. The average age of an Axis Bank employee is 29 years. The attrition rate in Axis Bank is approx. 9% per year.

Products:

The products offered by the banks are Credit cards, consumer banking, corporate banking, finance and insurance, investment banking, mortgage loans, private banking, private equity, wealth management.

Chairman:

The (Chairman) of the bank is Shikha Sharma (MD & CEO)

HISTORY OF AXIS BANK:

Axis Bank began its operations in 1994, after the Government of India allowed new private banks to be established. The Bank was promoted in 1993 jointly by the Administrator of the Unit Trust of India (UTI-I), Life Insurance Corporation of India (LIC), General Insurance Corporation Ltd., National Insurance Company Ltd., The New India Assurance Company, The Oriental Insurance Corporation and United India Insurance Company. The Unit Trust of India holds a special position in the Indian capital markets and has promoted many leading financial institutions in the country.

Axis Bank (erstwhile UTI Bank) opened its registered office in Ahmedabad and corporate office in Mumbai in December 1993. The first branch was inaugurated on 2 April 1994 in Ahmedabad by Dr. Manmohan Singh, then Finance Minister of India.

In 2001 UTI Bank agreed to merge with and amalgamate Global Trust Bank, but the Reserve Bank of India (RBI) withheld approval and nothing came of this. In 2004 the RBI put Global Trust into moratorium and supervised its merger into Oriental Bank of Commerce.

UTI Bank opened its first overseas branch in 2006 Singapore. That same year it opened a representative office in Shanghai, China.

UTI Bank opened a branch in the Dubai International Financial Centre in 2007. That same year it began branch operations in Hong Kong. The next year it opened a representative office in Dubai.

Axis Bank opened a branch in Colombo in October 2011, as a Licensed Commercial Bank supervised by the Central Bank of Sri Lanka. Also in 2011, Axis Bank opened representative offices in Abu Dhabi.

In 2013, Axis Bank's subsidiary, Axis Bank UK commenced banking operations. Axis Bank UK has a branch in London.

In 2014, Axis Bank upgraded its representative office in Shanghai to a branch.

OBJECTIVES OF THE STUDY:

- To know about the employees retention strategy adopted by the Axis Banks in Kalyan city.
- To know the extent of job satisfaction of the employees working in Axis Bank in Kalyan city.
- To know the extent of efforts made by the bank to retained their employees.

RESEARCH METHODOLOGY:

•Population and samples:

The total number of branches of Axis Bank is more than 125 in Mumbai and in Kalyan 2 branches. The population for the study/ research was all the employees working in Axis bank in Kalyan city only.

•Sampling technique:

A convenience sampling technique was used in this research to get response from the respondents who are now working in the Axis banks in Kalyan city.

•Instrument used:

Data was collected in two ways, i.e., Primary data and Secondary data. The data collection method used for collection of primary data was survey method and the data collection instrument used is structured questionnaire and interview sessions. The sampling technique used is non probability convenience sampling.

Interview:

For collecting primary data researcher had an interview session with the manger of both of the branches of Axis bank in Kalyan. Some research question has been asked during the interview session.

Questionnaire:

A structured questionnaire regarding the research was used as data collection tool for the employees working in the organization. All respondents were requested to check or tick mark to the answer of every question/statement that they think is the most suitable and “right” answer to the every question is truthful and frank response that is very necessary to reach perfect outcomes.

LIMITATIONS:

- Sample size was limited to 2 branches of Axis bank because of limited time, which is small to represent the whole population.
- The research was limited to Kalyan city only and if the same research would have been carried in another city, the results may vary.

DATA ANALYSIS AND INTERPRETATION:

From the following chart no: 1, it is observed that 65% of the total respondents are female and remaining 35% are males.

From chart no:2, it is observed that 58% of the respondents are graduate, 36% are post graduate, 6% are above post graduate.

CHART NO:1 CLASSIFICATION OF REPOSEDNTS BASED ON GENDER

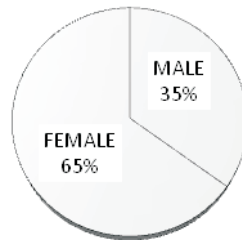


CHART NO:2 CLASSIFICATOIN OF RESPONDENTS BASED ON EDUCATION

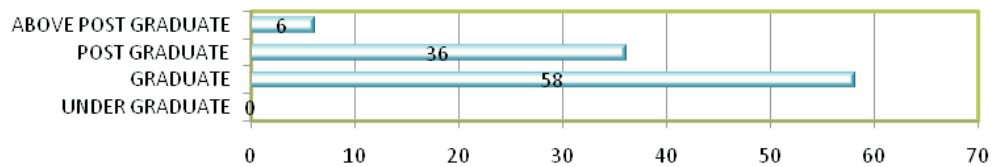


CHART NO:3 CLASSIFICATOIN OF RESPONDENTS BASED ON AGE

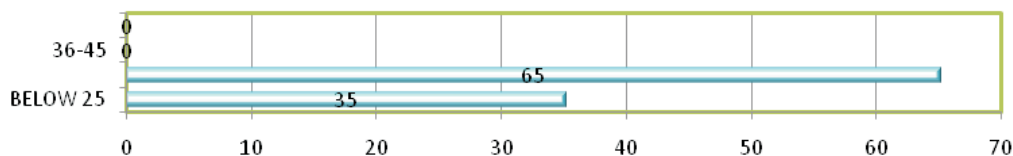
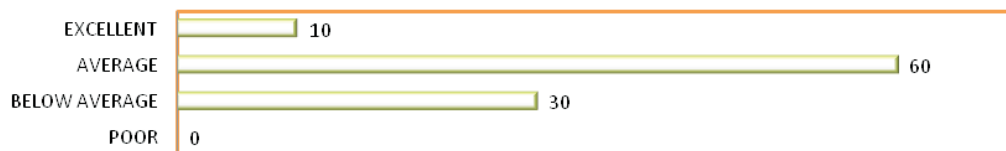


CHART NO: 4 CLASSIFICATION OF RESPONDENT'S BASED ON RATE GIVEN FOR WORKING ENVIRONMENT



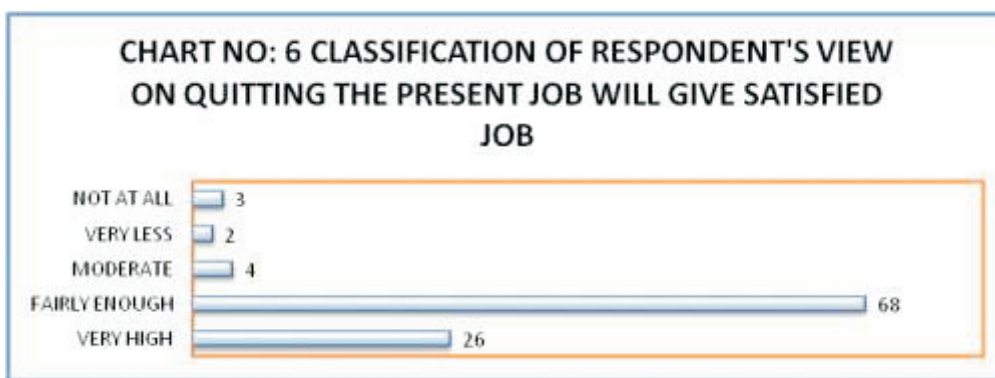
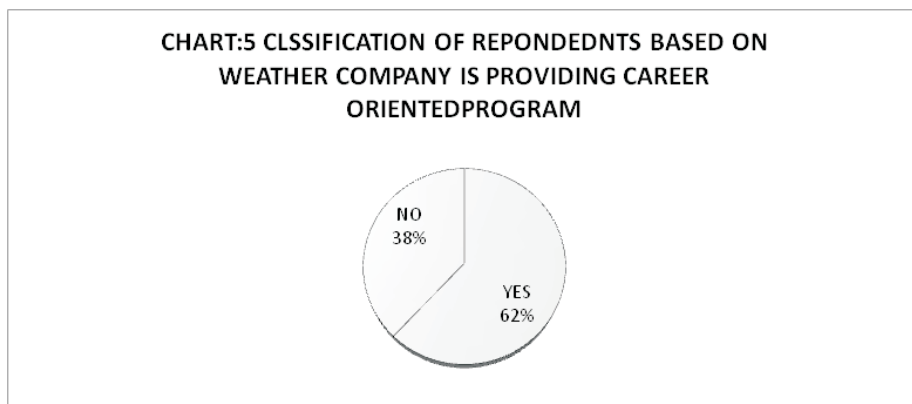


TABLE NO: 1 RESPONDENTS VIEW ON TYPE OF TRAINING PROVIDED IN COMPANY

TRAINING METHOD	PERCENTAGE
Assignments	16%
Selective reading	4%
Job rotation	25%
Coaching	19%
Lectures	12%
Role playing	12%
Management games	9%
Total	100%

TABLE NO: 2 RESPONDENTS SATISFACTION LEVEL FOR THE FACILITIES PROVIDED BY THE BANK

FACILITIES	LEVEL OF SATISFACTION			
	DIS SATISFIED	MODERATE	SATISFIED	HIGHLY SATISFIED
Cafeteria	15%	55%	13%	17%
Transport	10%	60%	9%	11%
Corporate services	07%	70%	13%	10%
Incentives	15%	65%	12%	8%
Personality development sessions	10%	58%	22%	10%

TABLE NO: 3 RESPONDENTS VIEW ON TYPE OF FACTOR TO BE CONSIDER FOR STRESS

FACTOR	PERCENTAGE
Working hours	30%
Team problem	15%
No future prospects	5%
Salary issues	10%
Work load	30%
others	10%

EMPLOYEE RETENTION STRATEGIES ADOPTED BY THE BANK:

It's expensive to hire new staff and even more expensive to replace them. It's estimated that the cost of replacing a mid-level member of staff can range from 50 pc to 150 pc of their salary – when all costs — recruiting, interviewing, hiring, training and reduced productivity are considered.

So, there are some strategies adopted by the bank to retain their employees.

1.Working environment:

The primary employee retention strategies have to do with creating and maintaining a workplace that attracts, retains and nourishes good people. This covers a host of issues, ranging from developing a corporate mission, culture and value system to insisting on a safe working environment and creating clear, logical and consistent operating policies and procedures.

2.Carryout ‘stay’ interview:

Staffs that have been with you for a while are very often a source of valuable, untapped information. Stay interviews are designed to discover why they have decided to stay with your organization. What motivates them to continue in their role? What aspects of their job do they most enjoy? What aspects do they least enjoy? Do they feel their contribution to the business makes a difference?

3.Employee growth strategies deal with personal and professional growth. Good employees want to develop new knowledge and skills in order to improve their value in the marketplace and enhance their own self-esteem. Training and education can include:

- in-house curriculum for skills training and development
- outside seminars and workshops
- paying for college and continuing education
- CD/DVD, podcast and online learning
- Cross-training having employees present workshops in their areas of expertise bringing in outside experts to educate employees about subjects that affect their personal lives.

4.Effective employee compensation strategies:

Effective employee compensation strategies stem from one fundamental principle: money alone will not retain most employees. In the old days, companies essentially paid people for their time. Today, more and more companies pay for performance – in every position, not just sales. To retain employees, your compensation plan needs to incorporate this trend.

- Discuss total employee compensation (salary, benefits, bonuses, training, etc.).
- Design reward systems to stimulate employee involvement.
- Use flexible employee benefits to respond to a changing workforce.
- Offer stock options.

- Offer time off, sabbaticals and other forms of non-financial employee compensation.
- Provide childcare and/or eldercare.
- Provide employee assistance programmes.

CONCLUSION:

This study was conducted to know the employees retention strategies adopted by the Axis Bank and also the employees point of view to the bank. There is a great need to recognize the importance of the employee retention in order to keep the cost of employee's turnover low. There are many factors that are ignored by the banks but are important for the effective performance of the employees. Therefore it is necessary for both the employees and the Manager must work in a team and had a effective collaboration with each other while performing in the team work. These factors must also provide the guidance to the achievement of employee retention in banks

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