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Comprehensive Study of Attrition Strategy of HDFC BANK in Ahmadabad Region

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Abstract: It is expected the study of these topic would contribute in clarifying all concepts relating to attrition study, root causes, problems, practices followed by the company. After study of the topic in depth the fundamental concepts have been made very clear. The beneficiary from the study of this topic would be first of all self-researcher, academicians, practicing managers, prospects researchers and banks. If these parties refer this research study in future may take advantage of the findings and suggestions. Academician, practicing managers and research students may take advantage for academic purpose and in the jobs. The Banks may implement the suggestions for improvement in attrition reduction programmes. It can be said the benefits would be multidimensional for above mentioned parties.

Keywords: banks, concept, prospect, managers.

I. INTRODUCTION

The employees always assess the management values, work culture, work practices and credibility of the organization. The Indian companies do have difficulties in getting the businesses and retain it for a long time. There are always ups and downs in the business. When there is no focus and in the absence of business plans, non-availability of the campaigns makes people to quickly move out of the organization.

In the recent decades the Indian industry has changed its outlook. The employment scene has changed its appearance .The factors like skill sets, job satisfaction drive the employment and not just the money .The employer hence faces the heat of continuous employee turnover .Continuous efforts are made by organizations to control the employee turnover rate as it directly affects the performance of the organization as many key people leave the organisations for various reasons at crucial points. This turnover is normally known as attrition.

II. DEFINITION OF ATTRITION

"Attrition is the rate of shrinkage in size or a gradual, natural reduction in membership or personnel as through retirement, resignation or death"

III. CONCEPT OF ATTRITION

Working environment is the most important cause of attrition. Today's Gen Next employees expect a professional approach and an international style working environment. They expect a friendly and learning environment. Employees look for freedom, good treatment from the superiors, good encouragement, friendly approach from one and all, and good motivation. No doubt the jobs today bring lots of pressure and stress is high. The employees often switch jobs if there is too much pressure on performance or any work related pressure. It is quite common that employees are moved from one process to another. They take time to get adjusted with the new processes while few employees find it difficult to adjust and consequently leave. Monotony sets in very quickly and this is one of the main reasons for attrition. Job hopping is very common among youngsters who look at jobs as being temporary. Another commonly looked option is to move to such other process where there is little or no pressure of sales and meeting service level agreements (SLA). The employees move out if there are strained relations with the superiors or with the subordinates or any slightest, discontent.

IV. COMPANY PROFILE

HDFC was incorporated in the year 1977 with the primary objective of meeting a social need that of promoting home ownership by providing long term finance to households for their housing needs .HDFC was promoted with an initial share capital of Rs 100 million. HDFC standard life insurance Ltd is a joint venture between HDFC .India's largest housing finance institution and standard life assurance company .Europe's largest mutual life company. HDFC manages over Rs 28000 crore in assets and standard life manages over US $100 billions in assets .Both the promoters are well known for their ethical dealings, their financial strength and their commitment to be a long term player in the life insurance market. HDFC and standard life first came

together for a possible joint venture to enter the life insurance market , in January 1995 .It was clear from the outset that both companies shared similar values and beliefs and a strong relationship was quickly formed .In October 1995 the companies formed a three year joint venture agreement . The primary objectives of HDFC is to enhance residential housing stock in the country through provision of housing finance in a systematic and professional manner, and to promote home ownership .Another objective is to increase the flow of resources to the housing finance sector with the overall domestic financial market.

V. ATTRITION STRATEGY OF HDFC BANK

It is becoming increasingly important for companies to ensure they have the right people in the place to guide future business success, so company is using following strategies:

❖ *Transparant work culture:*
HDFC is using the programme called Sparsh which provide the work place where employees are able to use their full potential.

❖ *Quality of work:*
The basic objective of HDFC is to improve working conditions for the employees and increasing organizational effectiveness and for that company is running the programme which called Shikhar.

❖ *Communication between employer & employees:*
HDFC is using the Umang programme which will be using full to properly communicate with their employees.

❖ *Manage employees turnover:*
The strategy used by HDFC is they always balance the employee turnover by reducing the rate of attrition.

VI. IMPACT OF ATTRITION ON HDFC

There are two main impacts of attrition i.e. Direct & Indirect A high attrition indicates that failure on company's ability to set effective HR priorities. New hires need to be constantly added, further the cost in training, getting them aligned with culture –all a challenge & attrition bring decrease in productivity. Because of all these impacts I am inspired to study about the attrition strategy.

VII. OBJECTIVE OF THE STUDY

People are considered to be the most important assets of the organization Therefore The employees are encouraged for the Organization to retain for the maximum time period.

➢ To understand the concept of attrition, reasons, needs, objectives, importance and impact on employees and organizations in competitive situation etc
➢ To understand the practices followed and find out problems faced by the HDFC Bank due to attrition.
➢ To suggest ways and means to check attrition rate in company.
➢ To complete the requirement of research study.

VIII. RATIONAL OF THE STUDY

In present situation not only in one industry but also all sectors are facing tough competition. It has become very difficult to grow, stabilize & excel in business performance. Over & above, business environment is changing drastically. It is very difficult to predict about future, high degree of risk is involved in it. Sincere & dedicated efforts are needed in retaining the existing employees. While generating high rate of attrition in company it causes some problems or hurdles like: high rate of training, complication for other existing employees, reduce the amount of encouragement to achieve their targets. Even if sometimes attrition give some benefits to the organization as well as employees like: new employees bring new ideas, abilities, approaches & attitudes, remove bottlenecks in progress, create space for new talents etc. by studying the attrition we can come to know about causes of increasing rate of attrition, we can come to know about retention strategies used by the co.etc. The importance of it attracted my attention to select these topics for research.

IX. RESEARCH PROBLEM

An attempt is made in present research to address the basic problem:
1. Why Employees leave from the organization?
2. What are the problems they face in the organization?
3. What is the impact of attrition on organization?
4. What are strategies organization use to control the attrition?

X.   REVIEW OF RESEARCH & DEVELOPMENT IN THE SUBJECT

❖ **International Status:**
   Many study reports are available related to present study which throw light on international status of attrition on economy. One of them is mention here below:

Embattled TV maker Sharp to cut 2000 jobs in Japan:Tokyo

   Struggling Japanese TV maker sharp corp would offer severance packages to as many as 2000 workers in Japan as part to lay off. One tenth of its global work force in a bid to reduce costs. This article was published in 'Economic Times' on August, 28, 2012.

❖ **National Status:**
   Many study reports are also available related to present study, which throw light on national
   status. Some of the reviews are as under:

 1.   *Average quarterly attrition up to 4.7% from MNC and RD Banglore:*
   MNC and RD centers in India will continue to witness attrition during first and second quarter of 2010 but things will smoothen out during second half of the year with minimal attrition, a study said. This was published in ET on 2nd June 2010.

 2.   *IT Firms caught in Attrition Trap; Mumbai:*
   The fluctuating growth rate in software industry is comparable to only the rising attrition rate among employees. Growth and attrition go hand in hand in software Industries. All publicly listed Indian software services companies name witnessed a rise in their attrition rates to last year.

XI.   RESEARCH METHODOLOGY

   A research methodology explains the method and procedures for conducting a particular survey or study. It is the arrangement of conditions for collection and analyses of data in a logical sequence of the steps involved in research. Research methodology includes the following:

❖ **Type of Research:**
   Research Methodology is classified into following 3 categories:
   ➢ Exploratory
   ➢ Descriptive
   ➢ Experimental

   This research will be descriptive research because   I classify the data as per the Age, Sex, Education, Occupation wise and the effect of this factor on study.

❖ **Sources of Data:**
   For study purpose both primary & secondary data will be used. For study purpose the data used are as under:

✓ **Primary Data:**
   Primary data is the information collected during the course of an experiment during experimental research. It can also be obtained through observation or through direct communication, with the person associated with the selected subject, by performing survey or descriptive research. Primary data is that which is collected fresh & for the first time.It is also known as basic data or original data.

❖ **Observation:**
   ➢ Structured – Unstructured observation.
   ➢ Disguised – Undisguised observation.
   ➢ Direct – Indirect observation.
   ➢ Human – Mechanical observation.

❖ **Survey:**
   ➢ Personal Survey.
   ➢ Mail Survey.
   ➢ Telephone Survey.

✓ **Secondary Data:**
   Secondary data means the data that is already available in various reports, diaries, letters, books etc. Secondary data is that data which has been used previously for any research and now is used second time. In short, the data presented in research reports when used again for further research is called secondary data.
❖ **Internal sources:**
   ➢ Internal reports.

> Miscellaneous reports.
> Accounting research.
> Sales force report.

❖ **External sources:**
> Government publications.
> Non- Government publication.
> Syndicated services.
> Consumer research services.
> Publications of insurance magazines.

❖ **Instruments For Data Collection:**
   For collection of data the following instruments will be used:
   Questionnaire, interview, telephone, mobile phones, mail etc. These may be as per need as effectiveness of the instruments.

❖ **Sampling:**
   For study purpose the universe will include employees, salesmen, traders & customers of the companies from different location in Gujarat. But all these cannot be studied due to location, time & cost factors. Therefore, sampling is necessary. Sampling process will include:
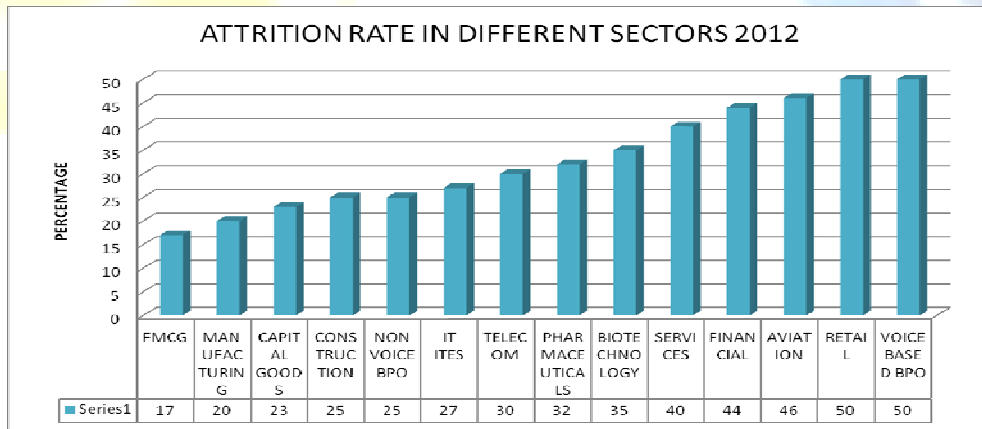
❖ **Sampling Method:**
   Taking sampling from population I can take Stratified Random Sampling Method. I took sample from population without any human judgment.
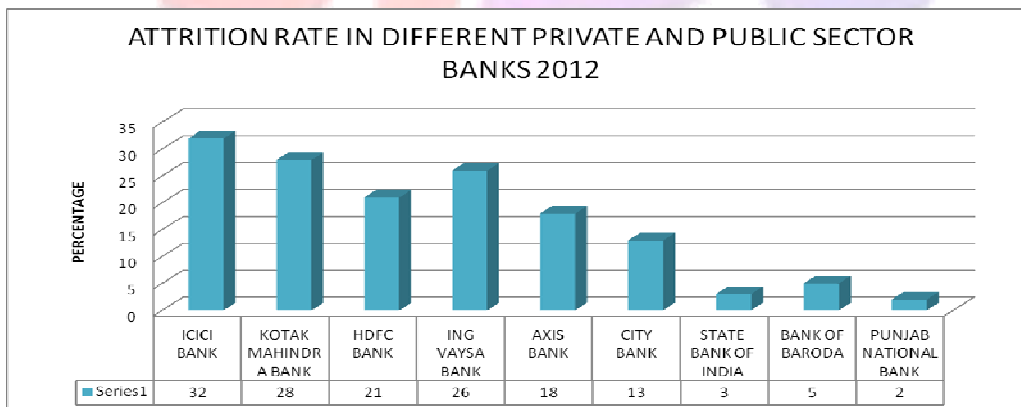
❖ **Sampling Size:**
   It will be sufficient enough in number to represent every segment of the population on the basis of units, levels like managerial, supervisory, new entrants and   jobs. Sample size will be of 100.

XII.   DATA ANALYSIS AND INTERPRETATION

ATTRITION RATE IN DIFFERENT SECTORS 2012

|	FMCG	MANUFACTURING	CAPITAL GOODS	CONSTRUCTION	NON VOICE BPO	IT ITES	TELECOM	PHARMACEUTICALS	BIOTECHNOLOGY	SERVICES	FINANCIAL	AVIATION	RETAIL	VOICE BASED BPO
Series1	17	20	23	25	25	27	30	32	35	40	44	46	50	50

Interpretation: As Attrition is the burning problem nowadays so we can see from the above graph that in each and every sectors of economy like FMCG , Manufacturing, capital goods, construction, Non voice BPOs, IT , Telecom, Pharmacy, Bio-tech, Service, Financial, Retail, Voice based BPOs etc effects of attrition is very much high.
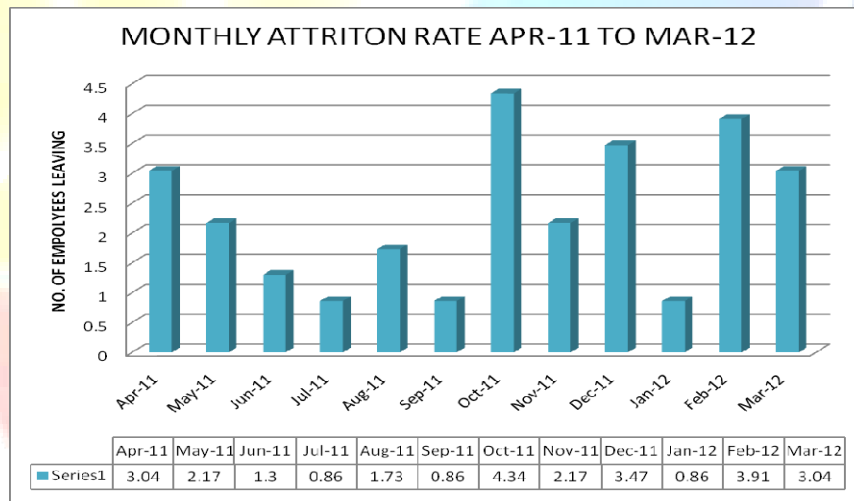

ATTRITION RATE IN DIFFERENT PRIVATE AND PUBLIC SECTOR BANKS 2012

	ICICI BANK	KOTAK MAHINDRA BANK	HDFC BANK	ING VAYSA BANK	AXIS BANK	CITY BANK	STATE BANK OF INDIA	BANK OF BARODA	PUNJAB NATIONAL BANK
Series1	32	28	21	26	18	13	3	5	2

Interpretation: Attrition affect on Public as well as private banks also, But as we can see from the table that compare to private sectors public sectors are not facing the problem of attrition much. The lowest rate of attrition is in Punjab Nation Bank and the highest problem is faced by the ICICI Bank.
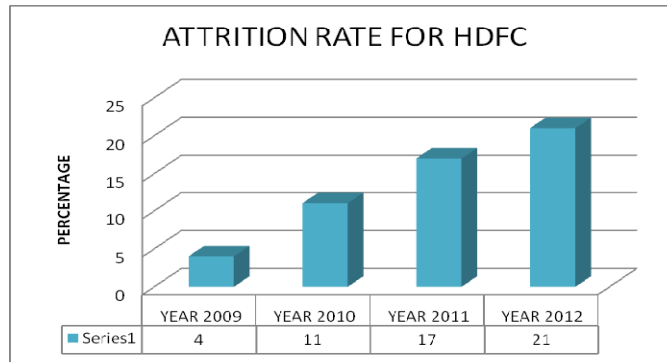

Interpretation: Here is the year wise attrition rate pf the HDFC Bank of Ahemdabad region and as we can see that because of the entry of many private banks in the banking sector day by day a well known bank like HDFC is also facing the problem of attrition and the every year its increases.

❖ **Calculation of Attrition Rate:**

$$\text{Attrition Rate} = \frac{\text{Total No. of employees left}}{\text{No. of employees present}} \times 100$$

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
Series1	3.04	2.17	1.3	0.86	1.73	0.86	4.34	2.17	3.47	0.86	3.91	3.04

Interpretation: The above table shows the attrition rate of HDFC for the Year Apr-11 to Mar-12, The fluctuations are there in every month at the start of the year the attrition rate was higher but after it becomes lower in the month like June, July, September, & January the rate is 1.3, 0.86, 0.86 & 0.86 respectively but at the end of the year its increases again.

	Apr/11	May/11	Jun/11
Series1	0.43	1.3	4.34
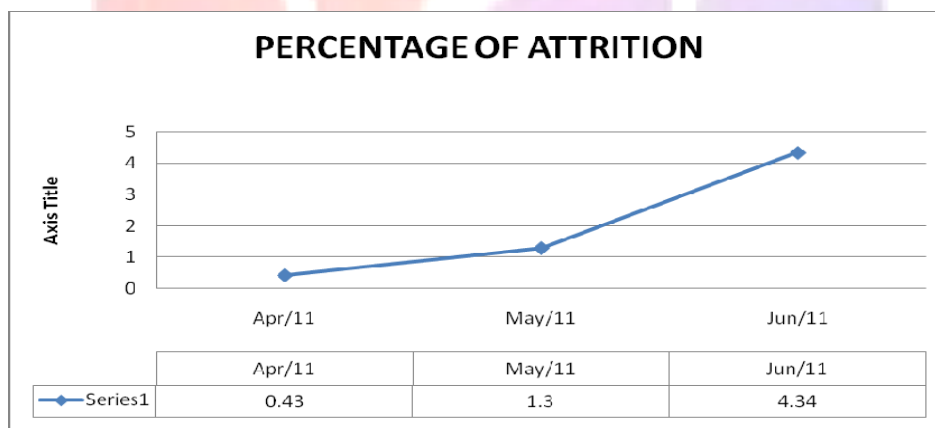
Interpretation: If we study the rate of attrition for particular month we can see the line of attrition is becoming higher for the HDFC Bank.

XIII.   FINDINGS

As we know that today attrition is the burning problem in each every sector so we can see that every sector in the economy are facing this problem.

- ➢ Banking sector provides the one of the basic necessity to the economy. But in each banks we are finding that people are leaving their jobs because of the one or the other reasons either it is a private or public bank.
- ➢ If we see the attrition rate for HDFC day by day it's increasing because of many reasons n many organizations are providing different types of working facilities which creates a keen competition in the market.
- ➢ Most of the people surveyed were satisfied with the working conditions provided by HDFC and they were very much aware of the company's product & their comparative advantages over the competition in the market.
- ➢ Job profile provided by the company was also liked by the respondents.
- ➢ There were respondents who were having a good experience of working with HDFC.
- ➢ It was clear and evident from the study that there was no problem like bad behavior of colleagues and superiors in the organization.
- ➢ Most of the respondents were fully aware of the company's terms and conditions since joining the organization.
- ➢ The problem was present in the training and development part. Employees were not satisfied with the type and schedule of training and development programs run by the organization.
- ➢ Further, the next problem that was evident in the form of entrance of new life insurance players in the market.
- ➢ Employee's appraisal system was also found to be one of the causes of attrition.
- ➢ As we all know that banking sector is full of stress and working hours are too hectic. Same is the case in HDFC; employees were not satisfied with the working hours in the system.

XIV.   LIMITATION OF THE STUDY

To carry out the research study the following limitations are expected that these will be faced:
- ➢ Availability of secondary data from banks may be difficult.
- ➢ Employees may avoid or hesitate to give relevant data.
- ➢ Management may not like to share their views on the topic.
- ➢ Time, cost & location factors may cause difficulties.
- ➢ Sample size may not be exact representative of the universe.

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