

INCRED: ALL ABOUT RETAINING TALENT



CARVING OUT your own niche in a crowded space is never an easy task. InCred Financial Services or InCred Finance, a new-age non-banking financial company (NBFC) for lower-middle class and middle-class households, did that with its tech-first approach. The company, launched in 2016, stresses on hiring top-notch tech talent so that each operation has an element of technology, while the workforce is skilled enough to operate in a fast-changing tech scenario. In fact, around 10% of InCred Finance's employees are part of the tech team that operates out of Bengaluru. A majority is hired from top institutes such as IITs whose task is to engage with customers to understand their problems.

The approach also helps the company find tech solu-

tions to problems, be it operational issues, identifying risks, or devising business strategies. For instance, the company leveraged on technology to develop distribution networks so that infrastructure costs remain low. Similarly, it has developed an analytics engine to identify the risks in the business.

"Our ability to assess the right risks has meant that the company has had to give up certain businesses, including two wheeler finance and



"WE ARE IN A FAST-GROWING SEGMENT, WHERE ATTRITION CAN'T BE AVOIDED. WE FOCUS ON RETAINING HIGH PERFORMERS INSTEAD OF BEING PART OF A MAD SALARY RACE."

Kamlesh Dangi, group head, HR, InCred Finance

The company focuses on retaining high performers with attractive appraisals and incentives, offers flexibility to employees to switch roles.

By **APRAJITA SHARMA**

affordable housing," says Kamlesh Dangi, group head, HR, InCred Finance.

The company sees automation as the future. So while the business has grown multifold since its inception, the operations team has grown only by 10-15%. "This was possible because of automation of a lot of work, which has also reduced manpower cost," says Dangi.

Heavy attrition in the banking and financial services industry is a reality. While most players look for ways to reduce it, InCred Finance follows a different formula.

Instead of focusing on the overall attrition, the company puts its energy behind high-performers. "We are an NBFC in the retail finance space, a fast-growing segment, where you cannot avoid attrition. New players keep coming,

who may offer better pay packages to attract employees. We focus more on retaining top talent instead of being part of a mad salary race that would disturb the cost economics of the company," says Dangi.

So, while overall attrition at InCred Finance is in line with the industry average of 30%, the attrition rate among high performers is lower at 10%.

So, how does the company retain top performers? Beyond incentives and attractive appraisals, it makes sure employees get growth opportunities to explore their full potential. Kara Couto, portfolio manager at InCred, was among the first 15 employees to join the company in 2016. Even though a part of the human resources team, Couto enjoyed learning more about the business side and how different verticals are

run. "I expressed my desire to switch roles and the company accepted. I joined the SME partnership team two years ago," says Couto.

The company believes in two-way communication to promote a healthy work environment. It released its fourth internal survey in February 2023 with 97% participation; 768 of the total 793 employees responded to the survey. "Scores came in at 4.5 out of 5 in most survey questions," says Dangi. InCred has been working on areas where employees have accorded low scores.

For instance, the second

WHAT WORKED

- ▶ Beyond appraisals, employees get growth opportunities to explore their full potential; firm works on areas based on employee feedback.
- ▶ Badges such as 'thank you', 'star of the month', and 'value champion' or points received can be converted into cash.
- ▶ Employees outside the top leadership team also get ESOPs, which helps promote an entrepreneurial culture.

survey gave an insight about work recognition. Employees felt their managers have not been noticing the work they do. The company introduced a policy that enables anyone can give feedback to anyone. Employees now re-

ceive badges such as 'thank you', 'star of the month', 'value champion', among others. What's more, these badges or points can be converted into cash.

The company's ESOP policy is not restricted to the top management.

"Start-ups generally offer ESOPs to 10-20 employees who form the core leadership team. However, we are widely spread with more than 100 employees having it among the 1,000-odd workforce. This promotes entrepreneurial culture where employees know that their success will reflect in the company's success, and, in turn, they will grow financially," says Dangi.

The company, however, still lacks the next line of leadership. Identifying this as a gap, Dangi says InCred Finance is working on that aspect.

InCred Finance is facing challenges in talent acquisition in small towns as well. "India does have a lot of people but not many are employment ready. We find it challenging when we do scale hiring across the country," he adds.

Valued at ₹7,000 crore, the company is on track to go public in the next 24-30 months. It has its task cut out. It wants to grow its employee strength by 500% in the next five years. How it balances the availability of talent and meritocracy is something to watch out for. ■

