

IBM HR EMPLOYEE ATTRITION MANAGEMENT ATTRITION PREDICTION

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PROBLEM STATEMENT

- OUR CLIENT IS IBM A LEADING FIRM AND IN THE IT SECTOR. IT IS RECENTLY FACING A STEEP INCREASE IN ITS EMPLOYEE ATTRITION . EMPLOYEE ATTRITION HAS GONE UP FROM 14% TO 25% IN THE LAST 1 YEAR . WE ARE ASKED TO PREPARE A STRATEGY TO IMMEDIATELY TACKLE THIS ISSUE SUCH THAT THE FIRM'S BUSINESS IS NOT HAMPERED AND ALSO TO PROPOSE AN EFFICIENT EMPLOYEE SATISFACTION PROGRAM FOR THE LONG RUN. CURRENTLY, NO SUCH PROGRAM IS IN PLACE . FURTHER SALARY HIKEs ARE NOT AN OPTION.
- THE ATTRITION PROBLEM IS NOT ONLY UNIQUE TO IBM BUT TO OTHER IT COMPANIES SUCH AS INFOSYS, INDIA'S SECOND LARGEST IT SERVICES COMPANY, THAT IS ALSO BATTLING HIGH ATTRITION, WITH A PEAK ATTRITION OF 20.4 % IN THE OCTOBER-DECEMBER QUARTER OF FY15.

HOW CAN WE REDUCE IBM COMPANY'S ATTRITION RATE BY PREDICTING IF A CANDIDATE WILL EXIT IN INDIA WITHIN THE YEAR?

- **S**PECIFIC :- TO INDIAN GEOGRAPHY IN IBM
- **M**EASURABLE:- TO REDUCE ATTRITION RATE(BY AT LEAST 5%)
- **A**CTION ORIENTED:- REDUCE EMPLOYEE ATTRITION & SUGGEST EMPLOYEE ENGAGEMENT & SATISFACTION PROGRAMS
- **R**ELEVANT:- DIRECT IMPACT ON COMPANY'S TOP AND BOTTOM LINE
- **T**IME BOUND :- 12 MONTHS

* The Smart framework is from Fractal analytics



HOW CAN WE REDUCE IBM COMPANY'S ATTRITION RATE BY PREDICTING IF A CANDIDATE WILL EXIT IN INDIA WITHIN THE YEAR

1)Background	4)Constraints
<ul style="list-style-type: none">• Best performing IT company in terms of topline and bottom line.• Employee Attrition has increased from 14% to 25% in the last 1 year, much higher than the industry average of 16%• Committed to curtailing attrition as it is not sustainable in the long run	<ul style="list-style-type: none">• Salary hike cannot be considered
2)Desired Outcome	5)Stakeholders
<ul style="list-style-type: none">• Reduce attrition rate by 5% in the next 18 months• Saving recruitment cost and improving employee satisfaction rate• develop a holistic employee satisfaction program	<ul style="list-style-type: none">• CEO/ HR Head/ BU Heads• Attrition cell
3)Scope	6)Resources
<ul style="list-style-type: none">• In-house attrition analysis tool and Early Warning System to identify individuals who are likely to leave and prioritize action items for immediate intervention	<ul style="list-style-type: none">• Interviews with HR head, Attrition cell, recruitment team, BU Heads• Insights based on industry best practices and secondary research• Review of exit interviews and HR attrition data to observe trends across departments, gender, experience level , etc.

ISSUE TREE

how can we reduce
ABC it company's
attrition rate from 25% to
14% in India within the
next 18 months

voluntary attrition

involuntary attrition i.e.
employee has been
asked to leave the
organization

A1

employee satisfied with
his / her job

A2

employee un-satisfied
with his / her job

in scope

out of scope/constraint

A1

employee satisfied with
his / her job

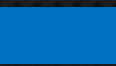
A1.1

employee poached by
a competitor

A1.2

employee not poached

In Scope



A1.1

employee poached by
a competitor

A1.1.1

High salary same
role

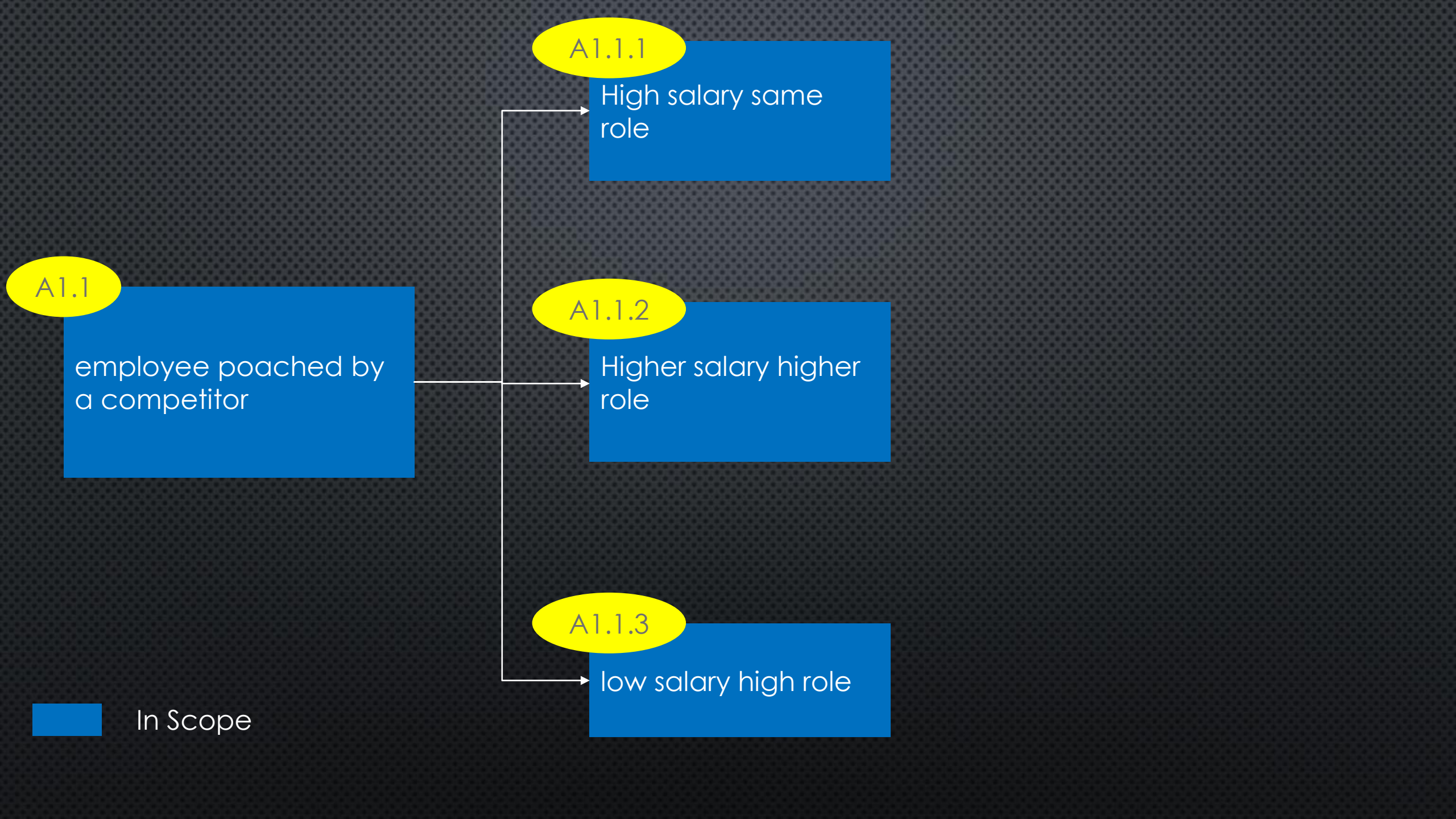
A1.1.2

Higher salary higher
role

A1.1.3

low salary high role

In Scope



A1.1.1

High salary same
role

Offer similar or higher
salary

Offer higher role

In Scope

Out of Scope/Constraint

Terminal
node

A1.1.2

Higher salary higher
role

Offer similar or higher
salary

Offer higher role

A1.1.3

low salary high role

Offer higher role

In Scope

Out of Scope/Constraint

Terminal
node

A1.2

employee not poached

A1.2.1

Is he quitting for higher education?

A1.2.2

Is the hop related to company brand?

Is he/she a serial job hopper?

Employee wants higher salary

Personal problems

In Scope

Out of Scope/Constraint

Terminal node

A1.2.1

Is he quitting for higher education?

Relevant to organization

Can organization finance and give break?

Not relevant to organization

In Scope

Terminal node

A1.2.2

Is the hop related to
company brand?

Negative Brand Image

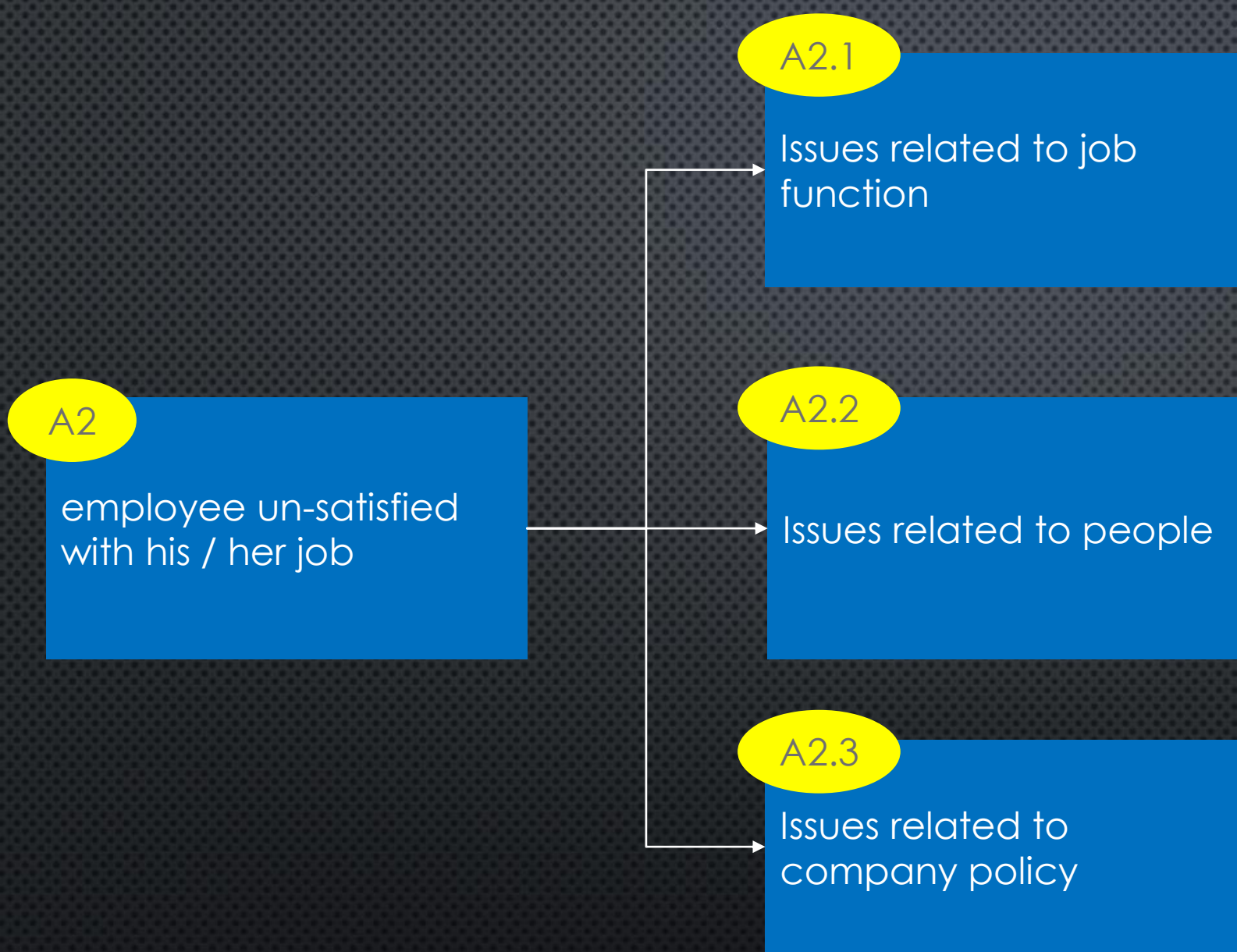
Sr. Mgmt to clarify / clear
any negative perceptions
and communicate business
and growth strategy

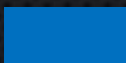
Want for a better brand

In Scope

Out of Scope/Constraint

Terminal
node



 In Scope

 Out of Scope/Constraint

A2.1

Issues related to job
function

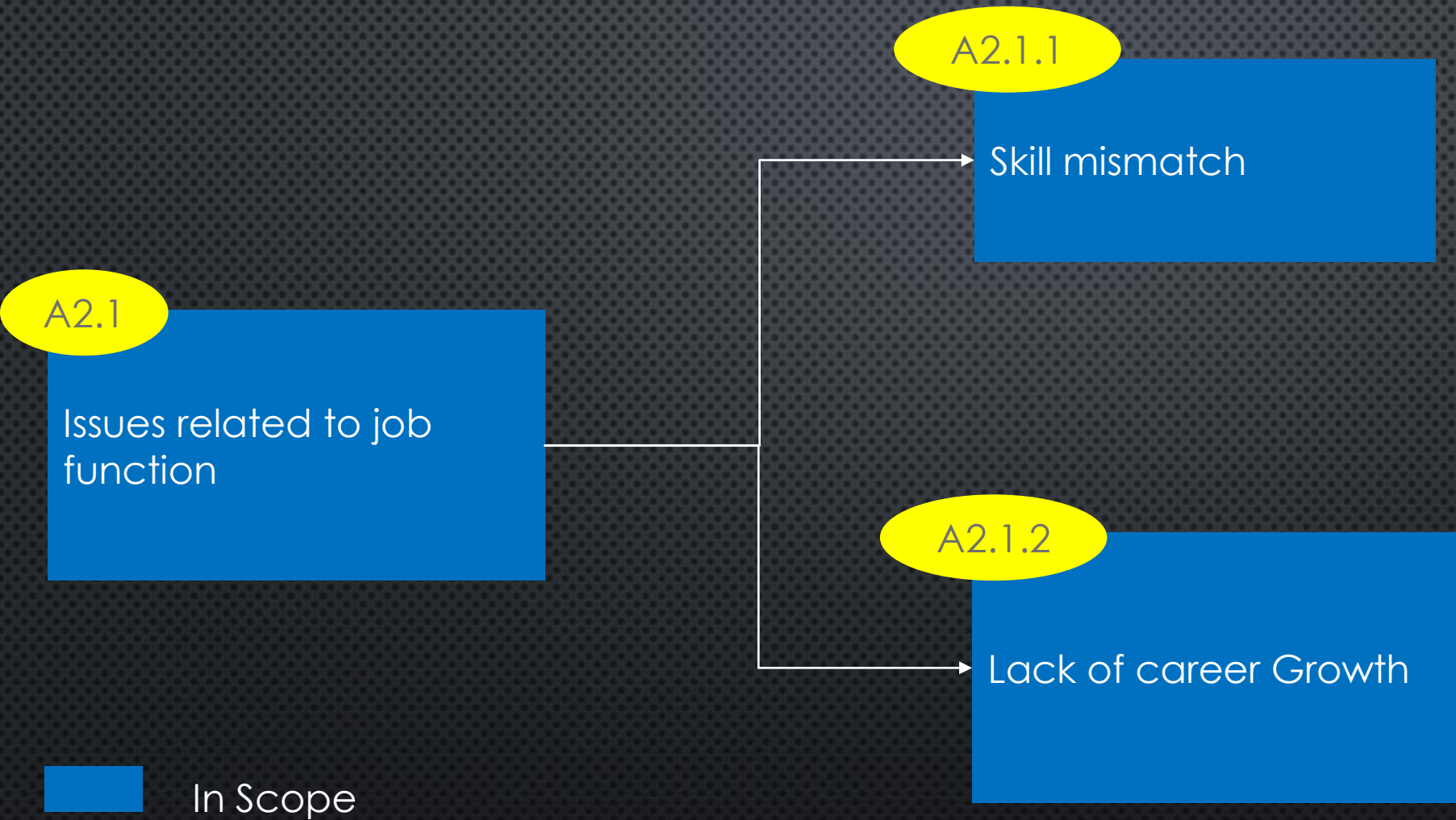
A2.1.1

Skill mismatch

A2.1.2

Lack of career Growth

In Scope



A2.1.1

Skill mismatch

Employee is
overqualified

Can Employee be
moved to another
suitable role?

Employee is
Underqualified

Can Employee be
trained?

Can Employee be
moved to another
suitable role?

In Scope

Out of Scope/Constraint

Terminal
node

A2.1.2

Lack of career Growth

Growth Opportunities
available

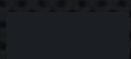
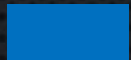
Can Employee be up
skilled / mentored to
take on higher
responsibilities ?

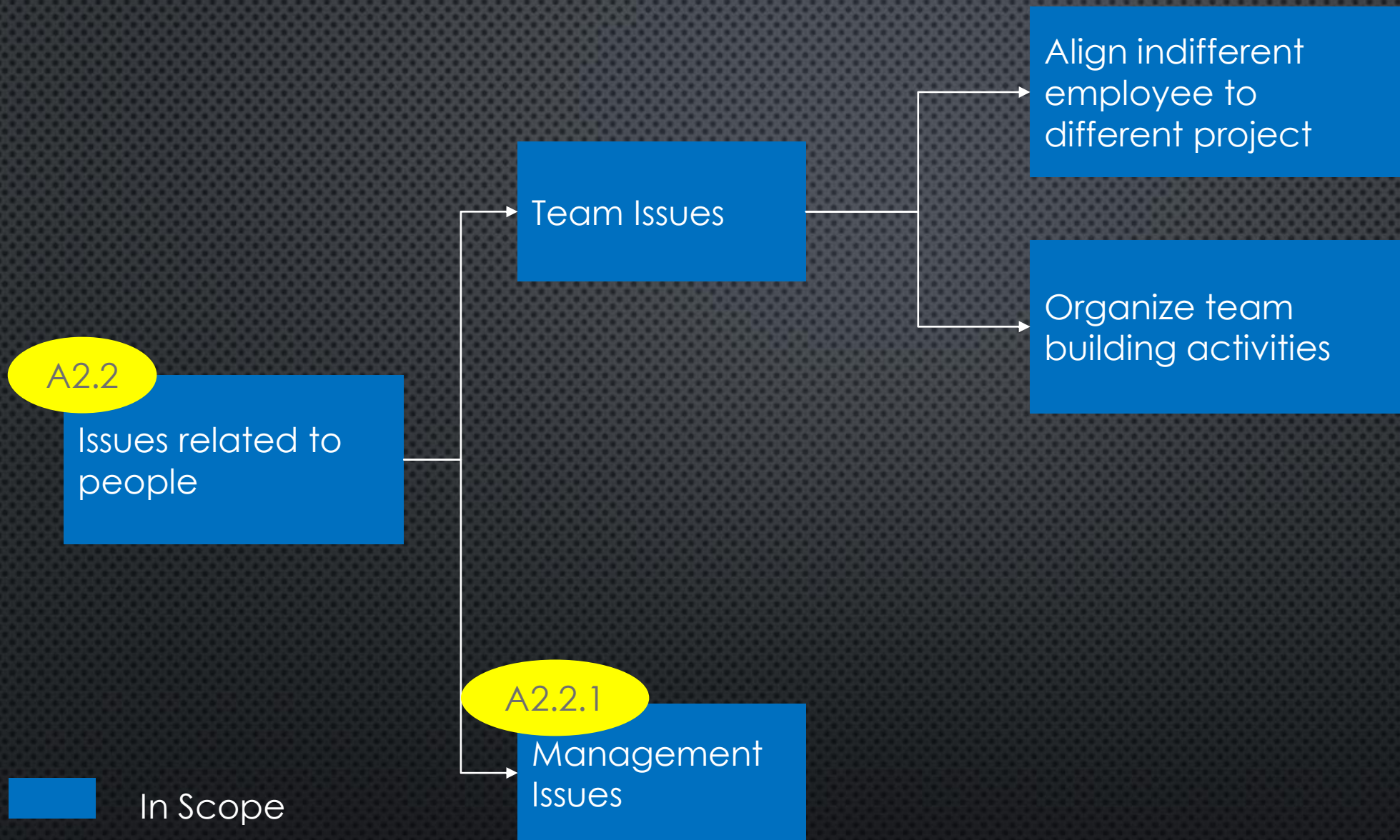
Growth Opportunities
not available


In Scope

Out of Scope/Constraint

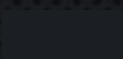
Terminal
node





 In Scope

 Out of Scope/Constraint

 Terminal node

A2.2.1

Management
Issues

Problems with
Reporting Manager ?

Appraisal related
issues

comprehensive
performance
management system
needs to be put in
place

Lack of
appreciation

Mandate the manager
to give quarterly
feedback and link the
feedback with R&R
program

Harassment by
Manager

Regular feedback must
be taken from team &
necessary action be
taken

Problems with Senior
Management ?

In Scope

Out of Scope/Constraint

Terminal
node

A2.3

Issues related to
company policy

Commuting and
transportation issues

Time and shift issues

Promotion related

Overseas
Deputation and
travel policies

review policies (internal / external)
based on industry
benchmarks

In Scope

Out of Scope/Constraint

Terminal
node

EARLY WARNING SYSTEM - MODELLING

