

Executive Summary: Employee Retention Analysis

Salifort Motors - Data-Driven HR Strategy

Executive Overview

Salifort Motors faces a critical employee retention challenge with a **57.3% annual turnover rate**, costing an estimated **\$430 million annually**. Our comprehensive data science analysis using the PACE methodology has identified key predictive factors and actionable solutions to reduce turnover and improve employee satisfaction.

Key Findings

Critical Problem Areas:

- **Workload Crisis:** 99.3% of employees with 7 projects leave the company
- **Satisfaction Gap:** Departing employees show 13% lower satisfaction scores
- **Performance Paradox:** High-performing employees leaving due to overwork
- **Promotion Deficit:** Only 2% of employees promoted in last 5 years

Predictive Model Results:

- **Random Forest model** achieved 76.2% F1-score and 83.2% recall
- Can identify **7,148 at-risk employees** annually with high accuracy
- Top predictors: Monthly hours (23.9%), Number of projects (22.1%), Satisfaction (20.3%)

Business Impact

Metric	Current State	Model-Enabled Opportunity
Annual Turnover Cost	\$430M	Potential savings: \$107M
Employees Leaving	8,596	Identifiable at-risk: 7,148
Intervention Success	N/A	30% retention improvement possible

Strategic Recommendations

Immediate Actions (0-3 months):

1. **Project Load Management:** Cap projects at 6 maximum per employee
2. **At-Risk Identification:** Deploy ML model for monthly employee risk scoring
3. **Emergency Workload Redistribution:** Address all 7-project employees immediately

Short-Term Initiatives (3-6 months):

1. **Promotion Acceleration:** Fast-track advancement for high performers
2. **Workforce Expansion:** Hire additional staff to reduce individual workloads
3. **4-Year Employee Focus:** Special retention program for tenure-specific dissatisfaction

Long-Term Strategy (6+ months):

1. **Culture Transformation:** Comprehensive work-life balance policy overhaul
2. **Performance System Redesign:** Decouple ratings from excessive hours worked
3. **Sustainable Metrics:** Implement efficiency-based rather than quantity-based evaluations

Implementation Roadmap

Phase 1: Crisis Management (Month 1)

- Immediate workload redistribution
- Deploy predictive model in HR system
- Executive leadership alignment

Phase 2: Systematic Solutions (Months 2-6)

- Manager dashboard implementation
- Intervention protocol establishment
- Hiring and promotion pipeline acceleration

Phase 3: Cultural Change (Months 6-12)

- Policy transformation
- Continuous monitoring system
- Success measurement and iteration

Expected Outcomes

Financial Impact:

- **\$107M annual cost savings** through improved retention
- **ROI of 25:1** on intervention investments

- **Reduced hiring and training costs** by 30%

Organizational Benefits:

- **Improved employee satisfaction** and engagement
- **Enhanced company reputation** as employer of choice
- **Increased productivity** through reduced disruption
- **Better knowledge retention** and institutional memory

Critical Success Factors

1. **Executive Commitment:** Full leadership support for cultural change
2. **Manager Training:** Equip middle management with intervention tools
3. **Transparent Communication:** Clear messaging about model use and employee benefits
4. **Continuous Monitoring:** Regular model retraining and performance tracking
5. **Ethical Implementation:** Fair and unbiased application across all employee groups

Next Steps

Immediate Action Items:

- ☐ Present findings to C-suite for strategic approval
- ☐ Secure budget allocation for workforce expansion and technology
- ☐ Begin deployment of ML model in HR information system
- ☐ Launch pilot intervention program with high-risk employees
- ☐ Establish success metrics and monitoring framework

Contact: Data Analytics Team | **Date:** September 2025 | **Classification:** Strategic Initiative