

# Understanding Business Problem



# *Background*

Currently our company is facing serious problems related to our employees. As we know we are large company with 4000 employees and currently our attrition rate every year is 15% resulting in vacant positions that need to be replaced with new talent that is available in the market. Thus we need to understand this situation and what would be the proposed solution to reduce attrition rate by next year.



# ***Project Focuses***

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# *DARCI*



## Decision Maker

Chief Human  
Resource Officer



## Accountable

Head of Data



## Responsible

Data Analyst Team



## Consulted

Human Resource Team



## Informed

- Manager Business
- Manager Operations

# ***Problem Statement***

How we can reduce our attrition rate from 15% to 5-10% gradually by end of year?





## ***Objective***

To reduce our attrition rate from 15% to 5-10% by the end of year.

# *Root Cause - Issue Tree*

**Why Our Attrition rate  
reach 15% last year?**

Engagement  
Employees is low

Career Satisfaction

Work environment

Underpaid payment

No progress in upgrading skills

No progress in career path

Bad Work-life Balance

Bad Relationship

Low Training Completion rate

Low Average of promotions

# *Hypothesis*

Possible Root Cause	Hypothesis
Bad Work-Life Balance	If we increase our work mobility such as applying hybrid work life and applying more work at home rather than work from office in a week, we can reduce attrition rate by 10% by the end of year.
Bad Relationship	If we improve our employees engagement, we could reduce our attrition rate by 10% by end of year
Underpaid Payment	If we pay our employee properly based on their position and the work they do,, it should be increase employees retention rate and reduce our attrition rate by 10% by end of year
Low Average of Promotions	If we increase average of promotions every 3 years., it could increase retention rate by 10% and reduce attrition rate by 10%
Low Training Completion rate	If we increase average of training completion rate, it could increase performance rate by 10% and reduce attrition rate by 10%

# *Hypothesis - Prioritizations*

Possible Root Cause	Hypothesis	Prioritizations
Bad Work-Life Balance	If we increase / balancing our employees work-life balance, it will reduce attrition rate by 10% by the end of the year	<b>High:</b> because we can do balancing Work and Life our employee to increase their happiness that could affect to their performance and retention rate employee
Bad Relationship	If we improve our employees engagement, we could reduce our attrition rate by 10% by end of year	<b>High:</b> because employees engagement impact to employees satisfaction
Underpaid Payment	If we pay our employee properly based on their position and the work they do,, it should be increase employees retention rate and reduce our attrition rate by 10% by end of year	<b>High:</b> because pay equity is important due to employee retention
Low training completion rate	If we increase training completion rate for every employees , it could reduce our attrition rate by 10% by end of year	<b>Mid</b>
Low Average of Promotions	If we increase average of promotions every year,, it could increase retention rate by 10% and reduce attrition rate by 10%	<b>Mid</b>

# Metrics Recommendation

Possible Root Cause	Hypothesis	Prioritizations	Metrics	Metrics Reasoning
Bad Work-Life Balance	If we increase / balancing our employees work-life balance, it will reduce attrition rate by 10% by the end of the year	<b>High:</b> because we can do balancing Work and Life our employee to increase their happiness that could affect to their performance and retention rate employee	-Employee Satisfaction Index	<ul style="list-style-type: none"> <li>- We need to check how good and balanced our work-life balance employees, because work-life balance affect to engagement employee including their happiness and environment satisfaction.</li> </ul>
Bad Relationship	If we improve our employees engagement, we could reduce our attrition rate by 10% by end of year	<b>High:</b> because employees engagement impact to employees satisfaction	- Engagement rating - Retention rate	<ul style="list-style-type: none"> <li>-This engagement rating is important because engaged employees are often more productive and happy with the work they do.</li> <li>- We need to keep retention rate of employees as high as possible, because it's indicate of people who stay remain in company.</li> </ul>
Underpaid Payment	If we pay our employee properly based on their position and the work they do,, it should be increase employees retention rate and reduce our attrition rate by 10% by end of year	<b>High:</b> because pay equity is important due to employee retention	-Pay equity	Monitoring and Checking Pay Equity to ensure employees are being properly compensated based on the work they do. To determine pay equity it could be to identify potential pay gaps between different segments of the workforce
Low Average of Promotions	If we increase average of promotions every year,, it could increase retention rate by 10% and reduce attrition rate by 10%	Mid	-Average time since last promotion	Monitoring this metric can help companies to monitoring average rate of promotion for every single employee per 3 years
Low training completion rate	If we increase training completion rate for every employees , it could reduce our attrition rate by 10% by end of year	Mid	-Training completion rate	This metric could track how many employees have completed a specific training program

# *Thank you!*

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