

Executive Report: Employee Attrition & Retention Insights

Problem Statement

The organization is currently facing an unexpected surge in employee turnover, which is directly impacting productivity and increasing costs due to slow replacement hiring. While exit interviews hint at issues like workload pressure, compensation, and limited growth, the leadership team lacked a clear, data-driven understanding of why people leave.

The goal of this project was to move past gut feelings and use hard data to identify exactly which departments are at risk and what specific factors (like travel, pay, or tenure) are driving staff to resign.

Project Overview

This project involved a comprehensive analysis of employee records to uncover hidden patterns in attrition. By building an interactive dashboard, I analyzed variables such as monthly income, job roles, age groups, and travel frequency.

The primary focus was to answer critical business questions:

- What is the true attrition rate across different departments?
- How does compensation impact an employee's decision to stay or go?
- Are specific groups, such as new hires or frequent travelers, more likely to leave?.

Key Insights (Dashboard Findings)

Based on the data analysis and slicer movements across different segments, here are the most significant findings:

- **Overall Impact:** The data shows an overall attrition rate of approximately **16%**, with **237** employees having left out of a total workforce of **1,000**.
- **The "At-Risk" Group (Under 25s):** The highest attrition is seen in employees under the age of 25, particularly in the **Sales Department**. In some segments of this group, the attrition rate spikes as high as **75%**.
- **The Compensation Gap:** There is a clear link between pay and turnover. For example, in the Research & Development department, the average monthly income for those who left was significantly lower (**\$4.11k**) compared to those who stayed (**\$6.63k**).
- **Travel and Work-Life Balance:** Frequent business travel is a major **Red flag**. In high-attrition groups (above 50%), typically **66% to 75%** of those employees were required to travel frequently.
- **The First Year Crisis:** Many employees who leave do so very early. In several high-attrition clusters, the average tenure at the company for those who resigned was between **0 and 1.33 years**, indicating a possible issue with the onboarding process or initial job expectations.

Key Recommendations

To protect our skilled workforce and lower recruitment costs, I recommend the following immediate actions:

- **Prioritize Sales & Junior Staff:** Management should conduct immediate "stay interviews" with employees under 25 in the Sales department. Since this group has the highest turnover, we need to understand if their daily workload or training support is lacking.
- **Review Travel Requirements:** For roles requiring "Frequent Travel," we should explore whether some of these tasks can be handled remotely or if travel can be shared across more team members to prevent burnout.
- **Address the Low-Income Bracket:** The data shows that those leaving often earn less than the department average. A targeted salary benchmark review for high-performers in the "Low" income bracket is necessary to remain competitive.
- **Focus on the First 12 Months:** Since many resignations happen within the first year, HR should implement a "Buddy System" or more frequent check-ins during the first 6–12 months of employment to ensure new hires feel supported.

Tools Used

- **SQL :** SQL is used for Data cleaning and Exploratory Data analysis.
- **Data Cleaning & Analysis :** Used to process raw employee records and calculate metrics like average income and tenure.
- **Power BI :** Used to create the interactive dashboard, allowing for real time filtering by Department, Age, and Income.
- **Excel :** For initial data sorting and validation of the attrition formulas.