## Case: High Engineer Attrition at SLS Oil & Gas Services

### Context

SLS is one of the largest oil and gas service providers, with 100,000 employees in 85 countries. The CEO is concerned about rising attrition among Field Engineers (FEs), especially in Mumbai (28% attrition in 2016). The request is to identify root causes and recommend solutions.

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## Step 1: Understanding the Business and the Life of an FE

- **Role of FEs:** Work with specialized equipment on offshore rigs, collect/analyze well data, and support drilling operations.
- **Work Environment:** Offshore rigs with poor living conditions (food, internet, accommodation).
- **Career Path:** Junior → Senior FE in ~2 years; offshore exposure, global travel, and strong pay were historic differentiators.
- **Staffing Model:**
    - 1 FE standby per rig, 2nd FE during operations.
    - Optimal offshore stint = 3 weeks before swap.
    - Current utilization gaps → too many FEs stuck in the office (no bonus), fewer on vacation.

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## Step 2: Analyzing Attrition

**Exhibit Observations:**

- Attrition rose from 4% (2012) to 28% (2016).
- Transfers out fell to zero (career stagnation).
- More new recruits, less team cohesion.

- Effective utilization is falling despite constant activity.
- Senior FEs doing longer offshore stints, juniors underutilized (less bonus, less learning).

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**Calculation:**

- Total FEs (2016): 50
- Utilization: 80% → 40 FEs at work
- Effective utilization: 60% → 30 offshore
- → **10 in office, 10 on vacation (current state)**

**Optimized staffing:**

- Standby: 25 FEs (1 per rig)
- Active: 9 FEs (36% of rigs × 25)
- Total offshore: 34 FEs
- Office need: 2 FEs
- → **36 at work, 14 on vacation**
- New effective utilization = **68% (34/50)**

**Insight:**
SLS can improve offshore efficiency and vacation allocation without hiring more FEs. This reduces burnout for seniors and increases learning/bonus opportunities for juniors.

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**Internal Causes (SLS-related):**

- Risk-averse management since 2014 → fewer vacations, more office time.
- Poor level loading → seniors overworked, juniors demotivated.

- Limited career mobility → no transfers out.
- Weak onboarding → lack of bonding among new hires.

**External Causes (Market-related):**

- Engineers leaving for Masters or other industries.
- Declining compensation premium vs. peers.
- Booming Indian start-up ecosystem → more attractive exits.

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## Step 3: Recommendations

**Short-term (within 6–12 months):**

- Revamp Offshore Staffing → Balance workload across juniors and seniors; predictable 3-week swap cycles.
- Boost Morale on Rigs → Better food, recreational facilities, internet access.
- Increase Time-off → Reduce unnecessary office time, let more engineers go on vacation.
- Train Managers → Make staffing decisions process-driven, not risk-averse.
- Team Cohesion → Team-building activities to integrate new and existing FEs.

**Long-term (1–3 years):**

- Career Development → Reinstate healthy transfer-out policy or short overseas stints.
- Talent Alignment → Set realistic expectations during recruitment, target candidates who value SLS's culture.
- Compensation Reset → Ensure pay competitiveness with peers in India.
- Employer Branding → Market the unique lifestyle (global travel, high responsibility early).

- Capacity Adjustment → Hire slightly more FEs to allow flexibility without burnout.

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## Key Takeaways

- Attrition is primarily due to poor staffing practices, reduced career mobility, and declining differentiation of SLS as an employer.
- A balanced staffing model and career growth opportunities can significantly reduce attrition.
- Fixing Mumbai can serve as a **blueprint for global offices**.