

EMPLOYEE ATTRITION  
ANALYSIS  
AND  
RETENTION PROPOSAL

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# INTRODUCTION

Attrition is one of the major concerns for any company in maintaining their talent pool. While certain attrition is unavoidable, it is a priority to identify the factors that can be controlled to prevent employees leaving the firm. The goal of this project is to search for reasons driving employee retention/attrition by analysing employee data and propose future recommendations to improve retention. We will also delve into how employee satisfaction levels (analogous to retention) is an amalgamation of other factors affecting employees.

## CHART I: Daily Commute

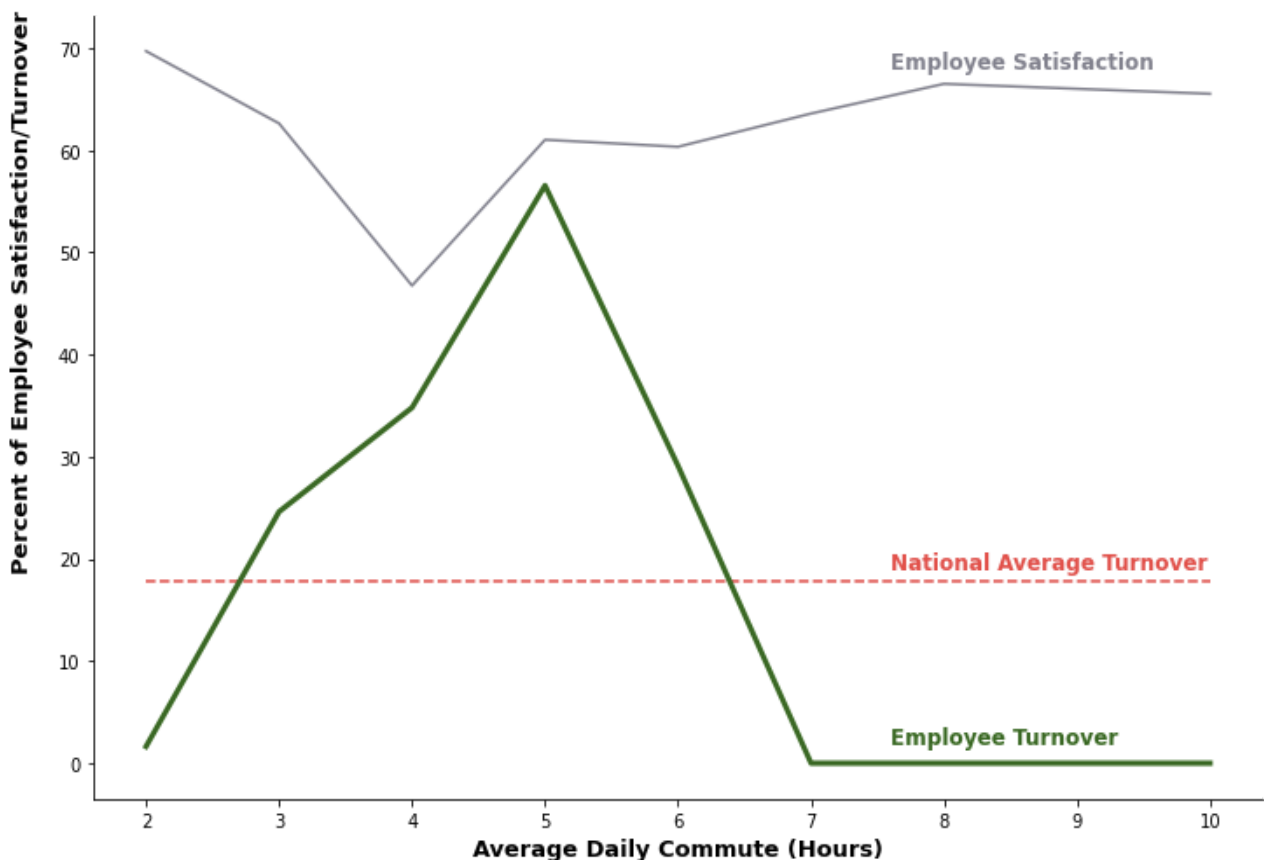
### AGENDA:

Daily commute is a factor that could cause employees to leave a job. A positive work-life balance is something that most people strive for and the addition of a long commute can hamper an employee's ability to attain this.

### CHART OVERVIEW:

The chart below shows the percent of employees that have left the company based on their daily round-trip commute and compares that to the national average of workplace turnover. Average employee satisfaction based on daily commute is also shown.

**Employee Retention Based on Commute**



## INSIGHTS/ANALYSIS:

1. One caveat on this graph is that the data looks a bit odd for it to be a daily commute. However, we will stick with this definition as it is what was stated when the data was provided.
2. As visible when the commute is between 3-6 hours, the retention rate for such employees is above the national average. However, when daily commutes are less than three hours, the turnover rate is significantly lower. While it does seem that employee turnover also is low when they have a very high daily commute, the data for 7 hours and above consists of a very small number of employees. Most employees average between 2 and 5 hours of daily commute.
3. Another thing of interest is that daily commute does not have much effect on satisfaction with the job. While there is a dip at 4 hours of daily commute, overall, employee satisfaction is relatively stable.

## PROPOSAL/NEXT STEPS:

We recommend two solutions to the issue of commute time:

1. Hire people that work close to the office.
2. If you do find desirable employees that live far from the office, our suggestion would be to provide a relocation bonus. This will help decrease commute times and thus making them more likely to continue working at the company in the future.

## CHART II: Project Allocation

### AGENDA:

Another major factor for a positive work-life balance is the workload allocated to the employees. The number of projects assigned can give a high-level view of the workload faced by employees of the company.

### CHART OVERVIEW:

The below chart shows the percentage of employees that have left the company based on the number of projects assigned to them. It also showcases how it has a direct impact on the employee satisfaction level just as we had speculated.



## INSIGHTS/ANALYSIS:

1. First, one can see that as the number of projects increase from 5 to 7, the attrition rate shoots up significantly. Moreover, the satisfaction level of the employees also drops down at a high rate.
2. Second, employees with 2 projects have lower levels of satisfaction and hence, the attrition rate is also high for employees with this range of workload. Interestingly, employees are not happy if they are not challenged enough in their workspace.
3. It is clearly depicted that the ideal number of projects for the employees ranges from 3 to 5.
4. But the number of projects provides a very high-level view of the workload. This needs to be further investigated to get into the specificities of how the working hours range for different numbers of projects.

## PROPOSAL/NEXT STEPS:

Based on these findings, it would be safe to say that employees who are challenged enough to showcase their skills and have moderate workloads are the ones finding it sustainable to stay with the company.

## CHART III: Weekly Work Hours and Project Allocation

### AGENDA:

Now that we have seen that the number of projects given to an employee can affect retention, we took a deeper look to identify trends between work hours and number of projects.

### CHART OVERVIEW:

The below graph shows the difference between employees that have left the company and the ones that stayed. We plotted average work hours per week based on the number of projects given to the employee and showed the distribution of project allocation for reference:



## INSIGHTS/ANALYSIS:

Let's compare the shape of the average hours worked per week (bar plots). We can clearly see that of the employees who stayed, all worked between 40-50 hours a week, compared to the employees who left, either worked less than 40 hours or between 50-70 hours. This tells us that regardless of project load, employees prefer to work between 40-50 hours a week.

## PROPOSAL/NEXT STEPS:

We propose to maintain working hours between 40-50 per week for employees. In addition, we suggest monitoring the employee's work hours per week to provide assistance for employees who work extra hours, or add another project if work hours are low to keep them in the 40-50 hour per week range.

## CHART IV: Promotion and Salary

### AGENDA:

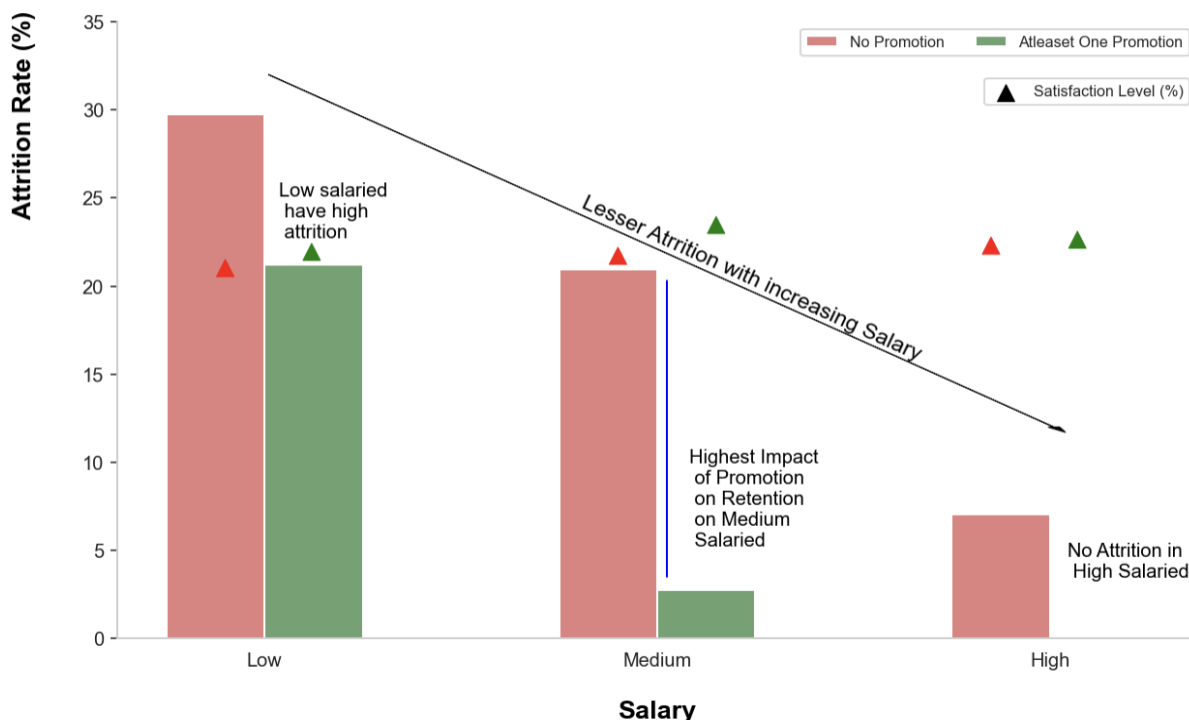
The next dimension we explore easily relatable factors such as promotion and salary.

### CHART OVERVIEW:

The below chart is highlighting the relation between attrition rate among different salary brackets shown as bars. It further carves out promotion's role by slicing each salary bracket into two different colors of bars.

### Promotion and Salary Relation with Attrition

Promotion compensates for Salaries



## INSIGHTS/ANALYSIS:

1. It is evident that salary has a major role in deciding employee retention. The descending line shows that as salary increases, no matter whether employees get promoted or not, they have a higher chance to stay.
2. Another intriguing thing is that medium salaried employees, though attrition is still high, strive for getting recognition at work. This can be seen by the major differences between the two bars for medium salaried employees (low attrition rates for promoted employees).
3. High salaried employees are mostly happy with their income and look for further promotions in work. This is shown by zero high salary employee attrition (though less employees).
4. Lastly, the satisfaction level revolves around 65% for all employees, showcasing that a variation in salary or promotion does not change employee satisfaction level.

## PROPOSAL/NEXT STEPS:

Based on these findings, we suggest providing market competitive compensation to all employees in different salary brackets. Similarly, the focus should be to provide appreciation to medium and high salaried employees in terms of promotions.

## CONCLUSION

In conclusion, we find that engagement and workload have high impacts on the employee satisfaction level. Employees prefer moderate workload to attain a healthy work-life balance. But at the same time, they also want to be consistently engaged in projects enabling them to hone their skills and acquire new ones. Salary, promotion and daily commute do not have much effect on the satisfaction level but do have significant impacts on attrition rate. Based on this analysis, we propose the following retention strategy plan:

