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HR Era



# ATTENTION TO ATTRITION IS THE KEY TO SUCCESS

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Attrition is one of the most serious concerns of the organizations today, irrespective of the industry in which they are operating. Attrition is all about people leaving organizations with the slightest provocation and having no respect and commitment to the company in which they are working. This article is aimed at analyzing the employee attrition and on how to combat the same in the organizations.

## **Ten reasons why attrition arises:**

1. Internal networking of employees must be encouraged to create team spirit across the organization. A lack of this kind of approach leads to attrition.
2. Performance goals must be defined clearly with updated job description. Resourceful employees must be encouraged to create an atmosphere of collaboration and cooperation.
3. Professional development is always aimed at future. As Indians are natural learners, the organizations should take advantage of this trait and help them for overall development of their professional as well as personal development.

4. Managers must try to manage relations with their subordinates at personal level to get the things done and to enhance productivity of each employee. At the same time, they have to maintain 'detached attachment' with the employees and not to indulge in any kind of emotional relationship.
5. How rewards are awarded? The Rewards Policy must be transparent and this should be announced across the organization to avoid misunderstanding and miscommunication.
6. Employees are bound to discuss their salaries with their colleagues. If there is any inequality among them, then there is an issue for HR.
7. Goals are not realistic to explore the latent talent of the individuals and to leverage their competencies for the benefit of the organization. This is another potential problem HR has to face from the employees.
8. If the succession planning is not in place, then one has to inevitably go for external talent hunt when there is a need of senior positions to be filled. If they are valued high, then you will have another issue to resolve.
9. You have to communicate monetary benefits to the employees, offered from time to time. The importance of non-monetary rewards should not be ignored and managers have to be trained in offering these to employees to enhance their performance levels.
10. People have to be made aware of their career path and how they can grow within the organization? People have to understand the competencies which they have to acquire to move ahead in the organization at various levels.

### **Attrition - Why people leave?**

People leave for two reasons

1. Compensation: If the compensation is not maintained and managed in relation to the employees KSAs (Knowledge, Skills and Attitude), people may leave without notice.

2. **Management:** Employee relations management is most important function, which has to help the people to concentrate more on their task on hand and to become result oriented.

### How to calculate attrition rate?

Closing employee Balance of last month = x

Closing employee balance of current month = y

$x + y =$  average head count

Average head count divided by resigned employees of current month X 100  
= attrition rate

### Conclusion: How to manage Attrition?

1. **Compensation and Management:** Compensation and Management must be managed based on the KSAs (Knowledge, Skills, Attitude and Experience) of the employees.
2. **Create opportunities for employees:** The Company has to create growth opportunities for employees to enhance their learning experience and earning abilities.
3. **Engaging employees:** Employees must be engaged on continuous basis and they should not get bored with their work, which can be managed through internal transfers and training from time to time.
4. **Review recruiting practices:** Selection and Recruitment policies must be reviewed to suit the growing needs of the organization.
5. **Technology opportunities:** Leveraging technology to manage the organization and enhancing the technical expertise of the employees will help organization grow without much problem of attrition.
6. **Career Path for employees:** Employee career path must be declared during the recruitment process and should be explained to the recruited people.
7. **Feel Valued in Organization:** Non-financial rewards, a pat on the back in time and celebrating small achievements with great fan-fare will help employees feel valued in the organization.

8. **Contact with Senior Management:** Senior Management should address employees periodically and should make them feel like a family.
9. **Feel Part of the Company's Mission:** The Company's mission must be reiterated from time to time to reinforce the learning and experience of the people.
10. **Attendance:** Policies with regard to attendance must be creative and flexible.
11. **Educate employees on their impact:** Educate employees regularly on what kind of impact they are creating on organization through their contribution.
12. **Flexibility:** Immediate bosses, middle level managers must be flexible and act as Chief Happiness Officers to avoid triggers of attrition.

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**Reference** : <http://hrera.com>