



RUKMINI DEVI

Institute of Advanced Studies

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Guest lecture on "Attrition – a Global Challenge"

Topic :	Guest lecture on "Attrition – a global challenge" by Mr. Saurabh K. Benerji (Asst. Manager, Global solutions) for students of MBA II
Date of event :	February 10, 2012
Aim of the Event	Attrition is the phenomenon which shows the reduction in the number of employees through retirements, resignations or deaths in different sectors. The aim of conducting this guest lecture was to inform students about attrition, its main reasons and its effect on the organisation.
Description of the event	<p>The speaker started the lecture by explaining the meaning of Attrition.</p> <p>He defined attrition as the unpredictable and uncontrollable but normal reduction of work force due to resignation, retirements and deaths. Attrition rate is the percentage of people leaving the organization; people left i.e. relative to total number of people who have</p>

worked for the organization under consideration.

He told about various reasons of attrition like

- Monetary factors
- Lack of good & flexible working conditions
- Lack of respect, trust, confidence & support of company & colleagues
- Lack of opportunities, promotions and rewards
- Mismatch between job and employee.

Mr. Benerji also spoke of the effects of attrition: Loss of Productivity, Replacing qualified employees and Lower Morale and confidence.

Further, he explained employee retention which is a process in which employees are encouraged to remain with the organization for a maximum period or until the completion of the project. Employee retention and its importance were also explained. He said that employee retention will benefit an organization in the following ways:

1. The Cost of Turnover: The cost of employee turnover money to a company's expenses. While it is difficult to fully calculate the cost of turnover (including hiring costs, training costs and productivity loss), industry experts often quote 25% of the average employee salary as a conservative estimate.

2. Loss of Company Knowledge: When an employee leaves, he takes with him valuable knowledge about the company, customers, current projects and past history (sometimes to competitors). Often, much time and money has been spent on the employee in expectation of a future

return. When the employee leaves, the investment is not realized.

3. Interruption of Customer Service: Customers and clients do business with a company in part because of the people. Relationships are developed that encourage continued sponsorship of the business. When an employee leaves, the relationships that employee has built for the company are severed, which could lead to potential customer loss.

4. Turnover leads to more turnovers: When an employee terminates, the effect is felt throughout the organization. Co-workers are often required to pick up the slack. The unspoken negativity often intensifies for the remaining staff.

5. Goodwill of the company: The goodwill of a company is maintained when the attrition rates are low. Higher retention rates motivate potential employees to join the organization.

6. Regaining efficiency: If an employee resigns, then good amount of time is lost in hiring a new employee and then training him/her and this goes to the loss of the company directly which many a times goes unnoticed. And even after this you cannot assure us of the same efficiency from the new employee

The process of retention is not as easy as it seems. There are so many tactics and strategies used in retention of employees by the organizations. The basic purpose of these strategies should be to increase employee satisfaction, boost employee morale hence achieve retention.

The opposite face of attrition i.e. its benefit to organization also told by Mr. Benerjee. Attrition is not bad always if it happens in a controlled manner. Some attrition is always desirable and necessary for organizational growth and development. The only concern is how organizations differentiate "good attrition" from "bad attrition".

In the end our guest speaker concluded the topic with the explanation of positive and negative aspects of each element related to attrition and he did a poster activity which is related to negative and positive aspect of attrition. From MBA II (A) Sunil, Gunjan and from MBA II (B) Roopsi Bhandari, Vaibhav Sharma actively participated in this activity. Rajesh and Shoaib Ali khan of MBA II (A) presented their views against attrition while Roopsi Bhandari of MBA II (B) presented her views in favour of attrition mentioning that attrition is healthy if it is managed and controlled.

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