Managing Attrition in IT Services Industry
A PMI EEF Study

High attrition levels have been a cause of major concern across industries, especially in IT services. Attrition, which refers to the gradual reduction of the size of a workforce by not replacing personnel lost through retirement or resignation, leads to instability in the workforce that could have an impact on the entire project lifecycle.

The IT services industry specific group within the Excellence Enabler's Forum (EEF) has identified "managing projects at a high attrition rate" as a major issue that faces the industry.

Several factors trigger attrition in the IT sector such as high work pressure, long working hours and dynamic salaries. In this scenario, it is critical for IT companies to come up with strategies and best practices to manage attrition and execute projects successfully.

The Survey

A survey was conducted among the participating organizations and the responses analyzed to understand various attributes of high attrition. A total of 35 people across different organizations were interviewed over a period of three weeks. The entire process from creating the survey and collecting responses, to analysis took over a month.

Some sample questions:

- Was an attempt made to observe behavioral changes in employees, and if yes, what were the early signs of attrition?
- What measures were taken to address the early signs of attrition? What steps were taken to retain the team member?
- In a situation where an employee decides to quit irrespective of counter measures offered, what action was taken to reduce impact on the project due to the exit?
- What steps were taken to minimize peer pressure?
- State the best practices followed in your organization to manage a project with attrition.

Warning Signs of Potential Attrition

It is important to recognize signs of potential attrition at an early stage. Employees who have made up their mind to quit start detaching themselves from the organization.

Behavioral changes:
- Staying away from the desk for long hours
- Frequent phone breaks and/or coffee breaks

Loss of drive:
- Lack of motivation towards work targets
- Resistance to responsibilities

Absenteeism:
- Unscheduled leaves
- Reporting late to office frequently
- Abstaining from team meetings
- Decrease in quality of work
- Missing deadlines
- Disengagement

The behavioral changes in an employee threatens also to impact the project schedule and performance.

How do organizations equip managers with strategies and best practices to execute projects successfully inspite of high levels of attrition. A study was conducted by EEF on this very pertinent topic.

About Excellence Enabler's Forum (EEF)

PMI India took the lead in 2013 to form an industry forum, the Excellence Enabler's Forum (EEF), of senior professionals invited from various organizations in India who are keen to leverage project management for business results.

Currently 32 organizations from IT services, products, the public sector, and infrastructure are part of this forum. The team comprises of project managers, program managers, senior project managers, general managers, delivery heads, and senior directors from organizations such as Infosys, TCS, ITC Infotech, Syntel, Thomson Reuters, Wipro, IBM India, SAP, HCL, Intel, Deloitte, Unisys, and Cisco Systems.

EEF also serves as a platform for thought leadership to enhance project management maturity and build a project, program, and portfolio management networking group.

EEF has industry specific focus groups for IT services and products to identify major challenges related to project and program management.

Impact of Attrition

Attrition of employees has a lasting effect on not just an organization but also on its clients and business. Besides the loss of existing talent, it leads to an increase in recruitment and training costs, aligning new recruits to the company's culture, decreased productivity, and peer pressure.

Solutions to Minimize Attrition

The EEF team has developed solutions based on the responses from the survey. Some of these solutions are good practices that have worked in favor of an organization.

The survey revealed that the first step towards addressing high levels of attrition was to understand employee issues and raise these concerns with the senior management through appropriate channels of communication.

Periodic meetings between project managers and the team help to keep a check on problems that pose as hurdles in various stages of a project.

If one team member has raised an issue, confirm if other team members also have the same concerns. This can help prevent a chain reaction of more people leaving the organization because of similar issues.

Regular and transparent modes of communication with the concerned employee on a one-to-one basis are essential to understand changes that are required in his or her current role.

This process ensures a planned career growth for the workforce, which in turn provides job satisfaction in the long run.

Employees keen on shifting roles or enhancing their job profiles must get an opportunity to communicate it to the seniors who can analyze an employee's capabilities before adding or tweaking his/her tasks and responsibilities for better results. A capable employee will thus gain a better role and exposure.

A conscious effort must be made to appreciate tasks that an employee completes to encourage the other team members.

The need of the hour is for project managers to be more approachable so that they can exert and influence team members by gaining their confidence. Team leaders and managers must provide guidance and instill in their subordinates confidence in the company's processes. Ask them for more time and a little perseverance to get matters sorted out.

The survey results also highlighted the need to identify critical team members and consistent performers to create a contingency plan.

Another alternative is to plan for resource rotation to mitigate dependency on a single employee.

In cases where an employee's exit is confirmed, quickly take stock of his/her priority deliverables and tasks on hand to analyze a critical path and its impact. Accordingly plan and adjust resources to accomplish the pending tasks.

The key is to ensure there is ample time between a new resource joining and an employee exiting in order to get the documentation handover done.

Monitor the outgoing employee's knowledge transition process and ensure it is done accurately without loopholes.

Set clear expectations on performance during the notice period of the exiting employee.

Ensure that the project plan, risks, and issues documents are updated with relevant changes.

As a counter measure, check the possibilities of there being an increase in package or promotion with the senior management and accordingly communicate promises with a rough timeframe.

Update the stakeholders in case attrition cannot be avoided. Ensure that the client is aware about the impact and backup plans.

Periodic skill, process, and technology based training sessions as well as development programs in new technologies and areas of interest are additional initiatives that help to reduce attrition and ensure improvisation.

Best Practices

- After exit confirmation or a team member's release, ensure that there is minimal impact on the existing team and peers.
- Address the team about the root cause analysis of an employee's departure, allowing two-way communication between employees and the management.
- Create an ideal work environment by providing a development plan, maximum transparency, and growth opportunities in the team's day to day activities to help maintain work-life balance.
- Ensure immediate action to reduce peer pressure arising out of attrition. Keep up the morale and motivation levels of the rest of the team intact.
- Have an open forum to keep the team informed about the prevailing situation and invite suggestions and recommendations.
- Conduct team building sessions or leisure outings to understand and bond the team better.
- Provide a holistic view on where the organization is headed, along with likely opportunities in the near future.
- Lastly, always have additional bandwidth at all levels to handle unexpected attrition.