

## Managing attrition in the new age economy: A business imperative

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The availability of skilled talent is frequently mentioned as a significant barrier to growth in CEO and Board level discussions. (Photo source: Pixabay)

Business Transformation driven by Technology and Digital adoption has accelerated significantly over the last 2.5 years, with pandemic causing increased impetus for an enterprise-wide technology adoption. Demand for highly skilled technology and digital talent is increasing across organisations that enable digital (IT Services, Global System Integrators, and Digital Transformation Companies) as well as those that are adopting Digital. This is due to the massive scale-up on technology adoption and digital transformation initiatives undertaken by enterprises across the globe (Financial services, Retail, health-care, and companies in many other sectors). Demand for Technology and Digital talent has grown multifold across the organizational pyramid and job roles, starting from fresh engineers to senior executives.

While this acceleration and scale-up of digital adoption has created a favourable demand and growth environment for digital enablers and technology companies, it has created the problem of companies losing high quality talent, with attrition rates in technology companies ranging between 15-40%. The number of skilled people who can play a key role in enabling digital transformation is failing to keep pace with the demand. The issue of attrition is a serious one not only in India, but worldwide.

Attrition is a complex problem and there are no easy solutions given the number of factors at play. However, organizations must continuously work towards identifying the underlying reasons which are causing and contributing to attrition. It is critical that enterprises implement multifaceted approaches and concrete steps towards managing talent, especially in a high growth environment where the opportunity cost of losing on talent is extremely high.

One approach which many companies have adopted towards managing attrition is implementing learning and reskilling initiatives for their employees. However, many organizations, while having great intent, have not been able to successfully benefit from this approach. A key reason for ineffective implementation is that learning interventions are not purpose-designed and purpose-built for the organization and individual growth aspirations, but are implemented as ways to engage employees, make available great content, provide access to learning platforms, or as an additional “facility” being provided by the organization to improve the employee experience. Neither the employee, nor the organization achieve the desired outcomes through such an approach towards reskilling and learning.

Organizations would benefit immensely by ensuring that learning and reskilling initiatives are tightly coupled with business outcomes, organization growth, and to the growth of the individual.

It is critical that the business teams are deeply involved in defining and then measuring the expected business outcomes from any learning intervention. The opportunity cost for business teams is way too high for not owning the growth of people. Business leaders must ensure that investments of organizational resources and individual time are not structured as employee retention or engagement initiatives but deliver hard coded and growth driven outcomes for both – the organization and the employee.

Effective management of attrition is even more critical in emerging and high growth areas and roles such as Cloud, Cybersecurity, Full Stack Engineering, Data Analytics and many such similar-new age skills, where demand will continue to outpace supply. Moreover, clients will increasingly demand experienced and highly skilled digital professionals, given the nature of digital transformation projects clients are implementing in their organizations.

Similarly, customer facing roles in sales, relationship management, and customer service demand extremely talented and skilled people – driven by customers' expectations of a highly personalized and high-quality engagement experience. Customer expectations in almost every industry have transformed at a greater pace than the industry itself. Great product knowledge and excellent transactional support are no longer the hallmark of a great customer relationship manager.

The availability of skilled talent is frequently mentioned as a significant barrier to growth in CEO and Board level discussions. CEO's offices across organizations are investing time disproportionately towards their organization's talent development. Yet, employee burnout, attrition rates, and concerns on employee experiences are increasing.

Leveraging learning is a practice which has been adopted by many organizations. However, learning interventions must be purpose driven and focused on the business and growth goals of the organization and the learner. Business leaders must be deeply involved in ensuring that learning partners are able to design interventions which are tightly integrated with business outcomes and help employees demonstrate that they have moved up with the skill curve and are ready for the next level of challenges. Indeed, business must make Talent its Business.

***(The author is President, Skills and Careers Business-India, NIIT Limited. Views expressed are personal and do not reflect the official position or policy of the FinancialExpress.com.)***

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