

EXECUTIVE SUMMARY

The Regional Association is a leading business Association in Sri Lanka serving the interests of the private sector while interacting with key stakeholders such as the government, foreign embassies, and international partners. The Association receives its revenue from varied sources such as membership fees, income from events, certification fees and secretarial services for trade and product associations. As a service organization, its people are key in order to drive the organization forward and ensure its sustainability. However, the organization is at a key point with many experience and senior staff close to retirement and with limited resources in the mid and lower management level to takeover. Further, the attrition rate of the manager and below category is a key driver of the overall attrition rate in the last five years.

The organization was analysed through a SWOT analysis where it was shown how important it is focus on the staff given the nature of the services it offers to a variety of stakeholders. In presenting of the data on the staff and attrition causes, the author shows that in fact the attrition rate is being driven by the manager and below category. Data also shows that 78% of the manager and below category left within the first three years. The author also examined and analyzed the exit interviews as well as the interviews conducted by the author. To further examine the problem, a root cause analysis was conducted to highlight the three main issues resulting in the high attrition rate of the employee and below category which the lack of employee engagement and issues related to performance management and human resource administration.

A detailed literature review highlighted that the issues faced by the organizations were not uncommon to the Association but presented unique challenges. As a Non-for-Profit Organization, focusing on attrition, it is important given the costs of attrition. Attrition brings with it direct and indirect costs to the organization. The literature review highlights the diverse reasons for employees to leave an organization but shows that through the focus areas of the project, there is evidence that the increase can be curtailed. The literature highlighted that performance management in a NPO context is important as it would be in a profit organization. Literature related to human resource administration and employee

engagement provided conceptual understanding of the issues in the organization in particular in relooking at processes and existing practices of the organization.

The main objective of the project is to reduce the attrition rate of manager and below category as percentage of the total exit from an average of 82% to 40%. This would be done through the solution such as improving the performance management cycle, improving the skills of line managers, developing better objectives, creating a better engagement strategy through an engagement framework, developing an on-board guide and developing a training plan which will enhance the capability of the employees and encourage them to stay in the organization.

The link between the theoretical concepts identified in the literature with the solution provided in the project was also discussed in the report. It was observed that the literature on performance management, HR Administration and employee engagement had with it practical models that can be applied to the organization in achieving the end objective of reducing attrition in the manager and below category. A summary of the key recommendations was provided with direction on the timeline, priority and the sequencing of the solutions. This would help the organization in prioritizing its interventions as it looks to implement this project.