CORINTHIAN

Let’s talk about The Great Resignation.

As we look back on the years’ BC (before Covid), the world of work seemed like a far simpler place to understand. Then productivity was high, sickness days low, newcomers would absorb the company culture simply by being present and inspired in the office. Employees home lives were invisible, our children went to school, our holidays were booked and then enjoyed. Deals were done over handshakes, dinner and drinks.

Now the new world is here, with the presence of remote working in our everyday lives, job seekers now have more options, and more opportunities than ever before. People in all industries have questioned where they belong in their current organisations and asked if there can be a better life on the other side of a job application.

Retention has become the ultimate goal for many businesses struggling to find their footing with their increased personnel churn. You can see the tidal wave of resignations, but what realistically can you do to prevent them? There are very few businesses not feeling the pressure of high turnover, whilst adding stress to the remaining team members. If the balance isn’t readdressed, another wave could come crashing in the new year.

The key question is, how happy are your employees? We believe **Happy Employees** need to be a focus, in order to survive and thrive in 2022.

Over the next two weeks we will be exploring the ins and outs of staff turnover, looking at:

How to measure it.

The potential cost of it.

The reasons for it.

How to reduce it.

Staff attrition and Staff turnover are often thought to be synonyms.

But they are very different:

- **Attrition** occurs when you do not fill a position with a new employee. It also occurs naturally, such as when you lose employees due to personal health, retirement, resignation or eliminating a position.
- **Turnover** is when an employee chooses to leave of their own free will. It can be **a blessing** if they are an underperformer but **a curse** if it is a key and valued member of staff.

I have decided to split this into two parts. In the second part I will cover the potential costs of staff turnover and how to reduce it; in this first part I'm going to focus on:

- **How to measure staff turnover**
- **Why it happens**

How do we measure staff turnover?

If someone was to ask you about your staff turnover:

- Would you know exactly how many leavers you had in the past 12 months?
- Would you know you staff turnover? I mean really know or would it be a guess?
- Would you know how this compares to similar companies in your industry?
- Would you know the real cost of recruitment to your company?

If you do that is great. However in our experience most employers consistently and significantly underestimate their staff turnover.

I remember when someone asked me those very questions - I fell at the first one. When I looked back at a previous organisation chart, I realised I'd missed a few people. Not because I didn't like them or I wanted to forget they'd gone – I'd simply just forgotten.

It is vital that we fully understand our staff turnover in order to be able to do something about it. Once you have established an accurate figure for leavers and turnover you can then look at your industry sector to see how you compare. I've shown some typical industry sectors below for your reference.

Staff turnover by industry sector

Research by XPertHR suggests that the average figure for 2018 by industry sector was:

• Distribution	3.0%	• Finance	6.1%
• Engineering	3.0%	• Marketing	7.4%
• Technology	3.9%	• Media, advertising & communications	8.4%
• Sales	4.6%	• Retail	8.8%
• HR	5.6%	• Consultancy	10.8%
• Legal	5.6%	• Insurance	18.7%
• Policy, research and editorial	5.7%		

Clearly these are just averages and each industry sector can be very broad. However, this should give you a starting point to benchmark your own position.

Calculating your own company's staff turnover is simple once you have an exact figure for leavers:

$$\textbf{Annual Staff Turnover} = \frac{\text{Number of Leavers in the year}}{\text{Average number of employees in the year}} \times 100$$

You now have the figures for your industry sector and company, so what next?

Why does staff turnover happen?

Let's now look at what typically causes unwanted and unplanned staff departures and why people move on. They are quite diverse.

Lack of personal development

We are often at our happiest when we are learning or when we feel that we are developing. This is no less true at work than elsewhere. Opportunities for growth, progression and to make decisions at work are highly significant to many of us.

A survey by docebo found that **59%** of employees consider learning opportunities important to workplace happiness. The survey highlighted that the lack of development at a company is a reason to leave. **36%** of all employees and **48%** of millennials) said they would quit a job due to a lack of learning and development opportunities.

Generation Z do present some interesting challenges to established practises as they enter the workplace in their millions. In common with Millennials before them, they seek constant skill building and personal development opportunities. Generation Z know that to achieve their goals in life, they must keep their skills razor sharp, so as an employer, you need to commit wholeheartedly to that development.

Too much work

There is always so much to do in so little time. But there is a difference between being busy and being overworked. Overworking is damaging and dangerous for employees and employers alike.

Gallup recently surveyed 7,500 full-time employees and found that **23%** of them reported very often or always feeling burned out at work. The survey found that overworked employees were **2.6** times more likely to look for another job than their colleagues and **63%** more likely to take a sick day. This will add direct and indirect costs to a company and of course negatively impact those in work:

Fewer colleagues + Same amount of work = Lower morale & Higher stress

Lack of appreciation

Everyone likes to know that their work has an impact and a purpose. Simply saying "thank you" for a piece of work can go a long way. Offering rewards and praising good work are other simple solutions that can boost employee retention for no or very little cost.

79% of people who quit their jobs cite 'lack of appreciation' as their reason for leaving. It's important to ensure your people know that you value *them*, not just for *what* they do for *you*. To paraphrase Michael Silverman, doing this right sends "a visible signal that their individual contribution is appreciated and valued". The return delivered will significantly outweigh both the cost in time and effort.

Wrong role/wrong hiring decision

Finding the right candidate can be difficult, especially when time is pressing and you need someone to "fill the hole" as soon as possible. However, a new employee who only partly fits the role is unlikely to be content in their new position.

It is worth taking the time to hire an employee who's the right fit for the role, as 80% of employee turnover can be due to bad hiring decisions.

Feedback and Flexibility

Millennials, again, present a different challenge. Since their earliest days they have grown accustomed to instant feedback through emojis, likes and comments on apps and devices. Studies have identified that millennials need much more frequent feedback sessions. These "feed" their need to determine what they are doing well and where they need to focus for self-improvement and a traditional half yearly or quarterly appraisal is unlikely to satisfy the need for pretty constant input to orient their "success compass".

PWC identify that millennials like to "learn by doing rather than being told what to do". Regular feedback allows those tweaks and nudges to naturally become good behaviours.

Modern benefits platforms have recognition functionality that allows for 360 feedback on a job well done, which can be built to recognise team and individual excellence.

In a 2018 survey, 61% of workers left or considered quitting a job because it lacked work flexibility options. Again, such flexibility can readily be adopted using low cost modern benefits technology.

Corporate Culture

Your company culture encompasses how you work on a daily basis, how you communicate, approve holidays, celebrate success and much more.

You should consider what sort of culture you want your company to have.

- Are your working hours long or short?
- Are senior staff accessible or intimidating?
- Can your employees choose how or where they work?
- How do you communicate with them?
- How do you prove that you value them?

Ultimately, your company culture is your call. It is after all, what helps to make your business unique. However, each of the above are important questions to consider and the answers to them can affect your staff turnover.

Summary

We have a range of tools to help you address staff turnover. Many will not cost you a penny, but could save you thousands of pounds.

I hope you've found the first part of this article of interest. I will send the second part over the next couple of weeks, when I will be focussing on **'How to reduce costs and keep the people you want and need'.**

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If you want to see if you have Happy Employees, complete our Happy Employee Scorecard today.