

21

EMPLOYEE TURNOVER STATISTICS

TO INSPIRE ENGAGEMENT

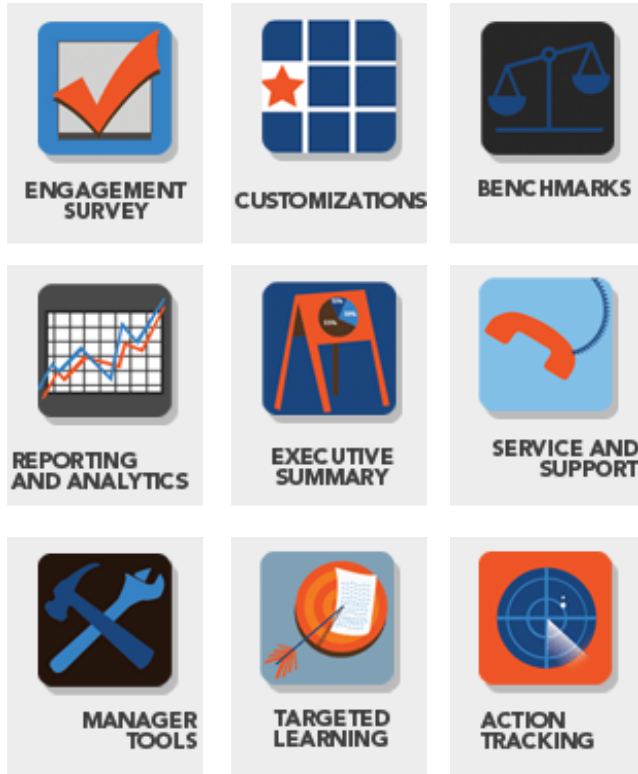
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Quantum Workplace's engagement survey and action planning software and services



Survey your staff and take action in three easy steps:

1. Measure engagement

Leverage America's most widely-used survey, flexible to fit any organization

2. Analyze your results

Deliver insights your whole organization can use, from benchmarks and reporting to simple reports and planning tools for managers

3. Take action

Improve productivity, retention, and your bottom line, while tracking your team's improvement

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INTRODUCTION.

Employee turnover affects customer relationships, employee morale, productivity, and most of all, your bottom line.

According to a [recent report](#) by the Center for American Progress, the estimated cost of losing an employee ranges from 16 to 213 percent of an employee's salary.

Implementing strategies to improve retention can greatly decrease your turnover costs, but where should you start?

This report examines employee engagement survey responses from exited employees versus those of their retained counterparts. The findings provide insight as to what drives employees to leave and what you can do to be more proactive in retaining talent.

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STUDY BACKGROUND.

The following research is based on data aggregated from a sample of 12 organizations. In order to be included in the study, the organizations had to have:

- At least 200 employees
- Conducted a survey in two consecutive years
- Invited all employees to participate
- Only used online surveys

The organizations in the study:

- Ranged in size: 200 to 5,000 employees
- Represented eight industries: Accommodation and Food Services, Finance and Insurance, Healthcare, Professional Services, Retail, Technology, Transportation, Wholesale Trade
- Represented different locations: One international organization and 11 U.S. organizations, including representation from Midwest, East Coast, Southern, and Western regions

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#1 12.87% OF EMPLOYEES TURNOVER.

Our study showed an average annual turnover of 12.87 percent. The organizations included in the study ranged from a turnover rate of 7.68 percent to 24.01 percent.

The average annual turnover rate in this study parallels SHRM's [Executive Brief: Tracking Trends in Employee Turnover](#), which discovered an average annual turnover rate of 13 percent in 2011, down two percent from 2010.

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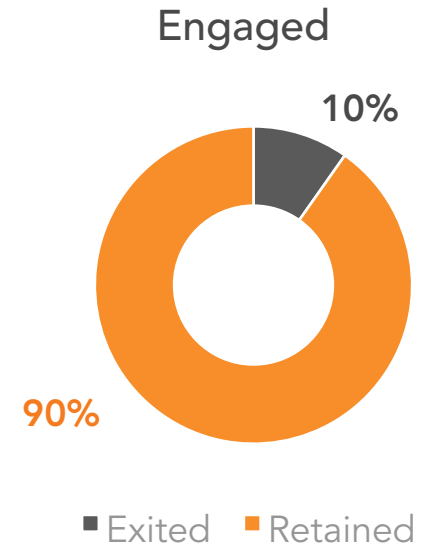
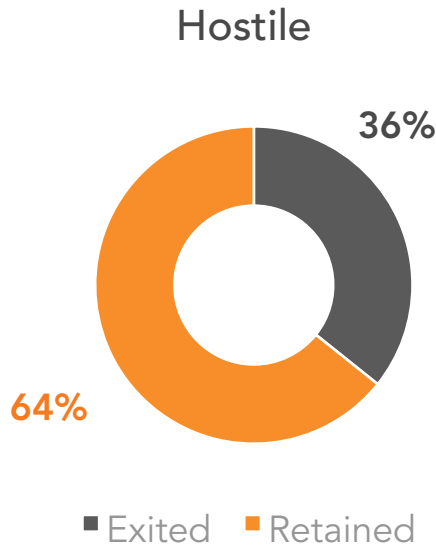
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#2

DISENGAGED EMPLOYEES LEAVE.

HOSTILE
EMPLOYEES ARE
3.6x
MORE LIKELY TO
LEAVE



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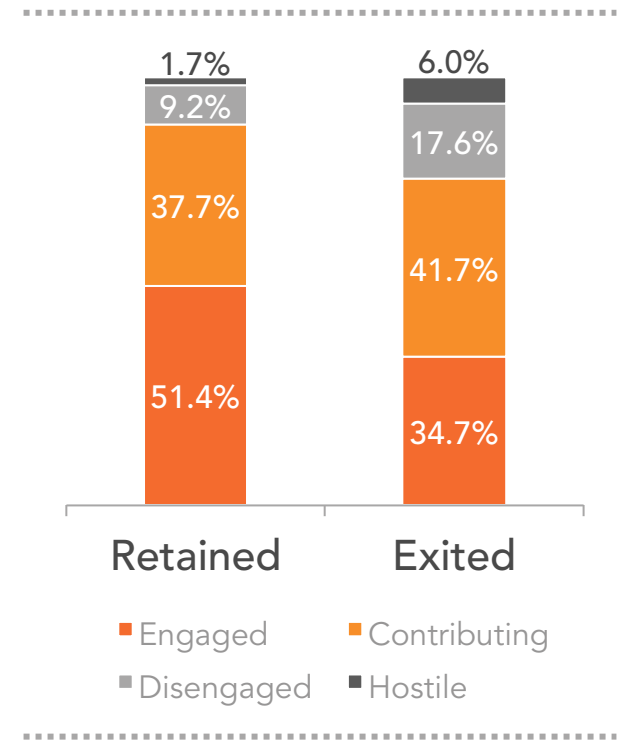
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#3

PROFILED: EXITED vs. RETAINED.

In the chart on the right, you can see how engagement differed between employees who remained and those who turned over—**nearly 17 percent more engaged employees in the retained group.**

Although disengaged and hostile employees are more likely to leave, it is evident that contributing and engaged employees aren't guaranteed to stay. When employees leave, it's important to understand why. Are engaged and disengaged employees leaving for the same reasons? Conducting **social exit surveys** and being able to tie that to engagement survey data in aggregate could have a meaningful impact on your strategic culture decisions.



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WHAT'S A SOCIAL EXIT SURVEY?



Traditional exit interviews don't work. When exiting employees reply (and often they don't), they have zero incentive to tell you the REAL reason they're leaving.

Wyygo solves this. The world's first social exit survey, Wyygo gathers feedback from the exiting employees' peers who might know the real story behind their departure.

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#4 TURNOVER RISK IS HIGH.

The retained employees in the study were considered at risk of exiting in the future if their most recent composite engagement score was below the average engagement score of the previously exited employees.

On average, 28 percent of the retained employees were at risk of turning over. The organizations in the study ranged from having nearly 10 percent at-risk employees to as many as 37 percent.

A simple turnover analysis like this one can help you determine your risk for turnover in the following year, so you can plan strategically.

28%
OF EMPLOYEES
ARE AT RISK FOR
TURNOVER

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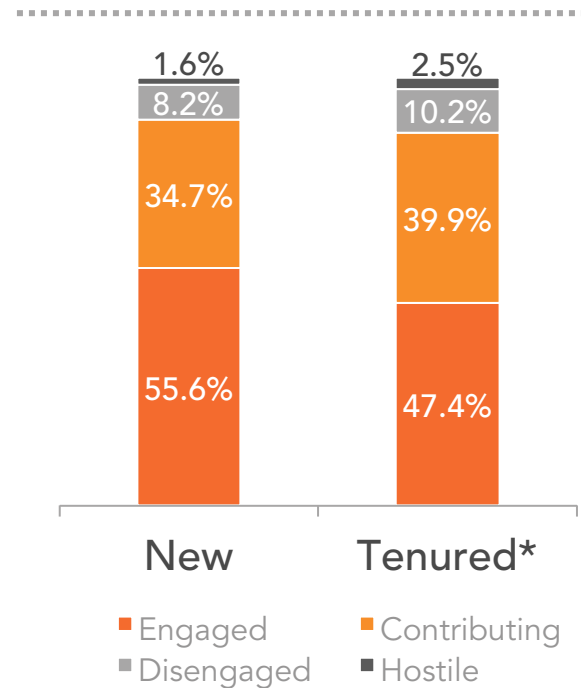


#5

NEW EMPLOYEES ARE AT LESS RISK.

The study also analyzed turnover risk for new employees versus tenured employees. Tenured employees were defined as employees who had been at the organization for one year or more. New employees were at less risk for turnover (24 percent), compared to 29 percent of tenured employees being at risk. You can see how engagement differed between the two groups on the right.

The organizations in the study ranged from having none of their new employees at risk for turnover to having 41 percent at risk.

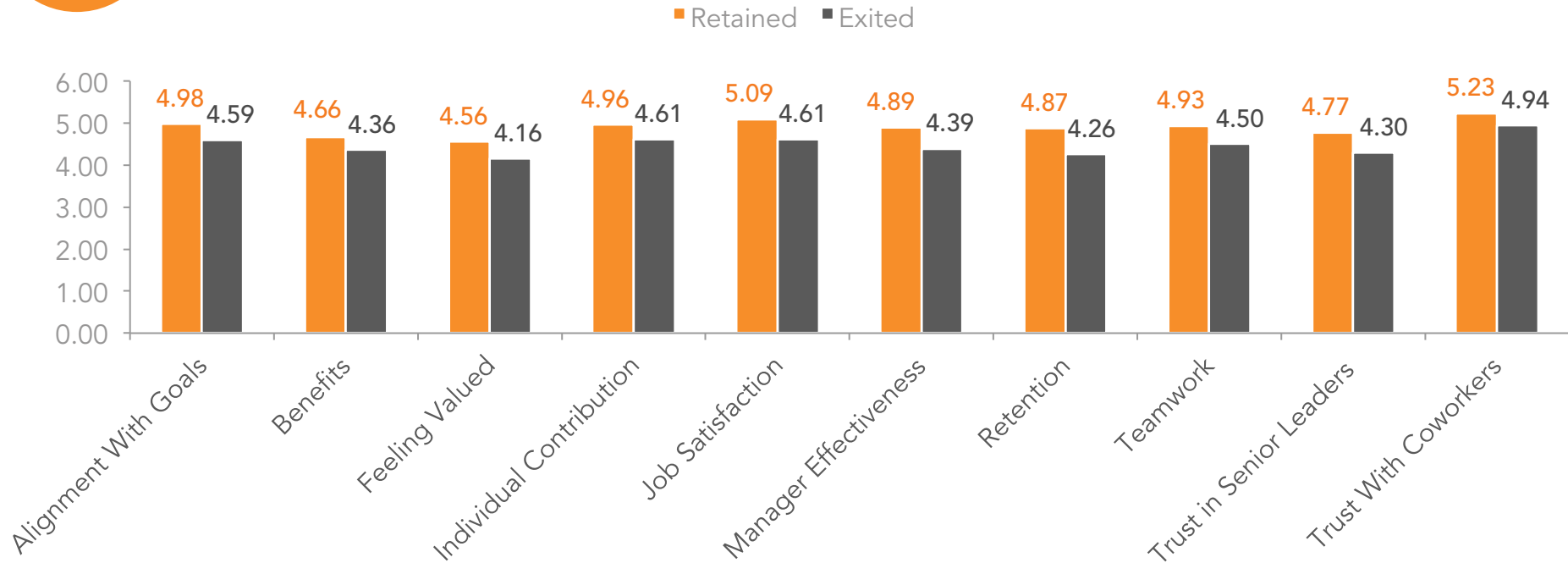


*Tenured is one year or more.



#6

LESS ENGAGED ACROSS THE BOARD.



Exited employees scored lower on average across every area of engagement measured in the survey, compared to their retained coworkers. The above chart shows average scores on a six-point Likert scale. The average difference in scores was .45.

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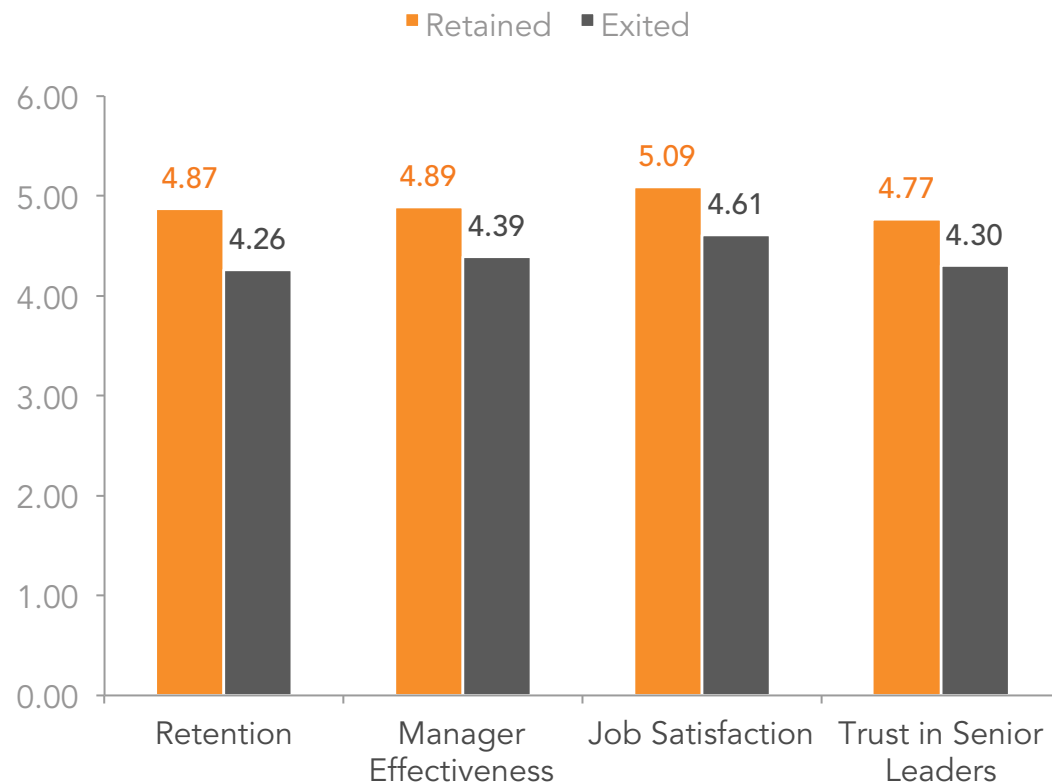
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#7

BIGGEST DIFFERENCES.

The greatest differences between retained and exited employees, where the difference was higher than the .45 average, were in the following areas:

- ▶ **Retention, .61**
- ▶ **Manager Effectiveness, .50**
- ▶ **Job Satisfaction, .48**
- ▶ **Trust in Senior Leaders, .47**



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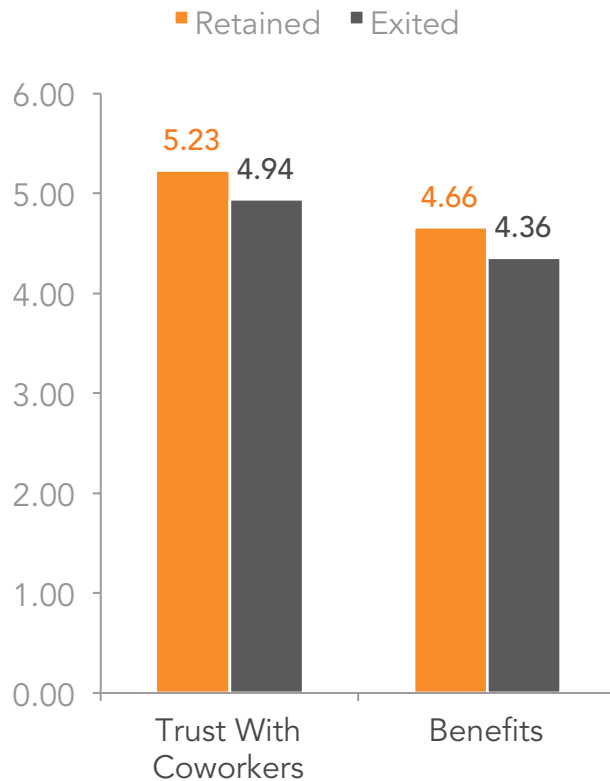
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#8

SMALLEST DIFFERENCES.



The smallest differences between retained and exited employees were in the following areas:

- ▶ **Trust With Coworkers, .29**
- ▶ **Benefits, .30**

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#9

CONSISTENCY IN DIFFERENCES.

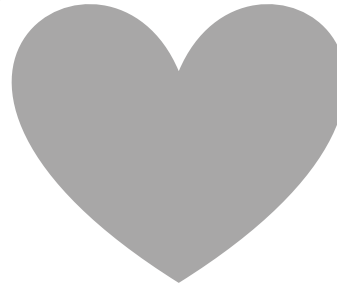
CONSISTENT



11 OUT OF 12
ORGANIZATIONS
HAD SIGNIFICANT
DIFFERENCES IN
RETENTION &
ALIGNMENT
WITH GOALS

vs.

INCONSISTENT



5 OUT OF 12
ORGANIZATIONS
HAD SIGNIFICANT
DIFFERENCES IN
BENEFITS



10 OUT OF 12
ORGANIZATIONS
HAD SIGNIFICANT
DIFFERENCES IN
MANAGER
EFFECTIVENESS
& INDIVIDUAL
CONTRIBUTION

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#10 THEY'LL TELL YOU THEY'RE LEAVING.

Comparing the two groups of employees, retained and exited, it is clear that exited employees will honestly indicate their plans before they leave via an anonymous survey.

The survey item with the greatest difference in average score was, "It would take a lot to get me to leave this organization." Exited employees were nearly three times more likely to disagree than retained.

In addition, exited employees were more than four times as likely to disagree with, "I would like to be working at this organization one year from today."

EXITED
EMPLOYEES ARE
4.2x
MORE LIKELY TO
SAY THEY WILL
LEAVE

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MORE SURVEY ITEMS OF INTEREST.

The next 10 insights from the study highlight specific survey items.

A few of the survey items simply measure employees' engagement level. They are **diagnostic**. For example:

I am always thinking of ways to do my job better.

The rest, and the majority, of the survey items provide insight as to why engagement might be high or low. These are **actionable**. For example:

I see professional growth and career development opportunities for myself in this organization.



#11

BELIEVE BENEFITS AREN'T SPECIAL.**The Survey Item:**

"We have benefits not typically available at other organizations."

The Finding:

This item had the third greatest difference in average score between retained and exited employees. Retained employees' average score was 4.28 on the six-point scale, compared to exited employee's average score of 3.70.



#12

THEY WEREN'T GIVING YOU THEIR BEST.

The Survey Item:

"I am always thinking of ways to do my job better."



The Finding:

Employees that left were four times more likely to disagree or strongly disagree with the statement than the employees who stayed.

#13

DISBELIEVE THEY'RE PAID FAIRLY.

The Survey Item:

"Considering the value I bring to the organization, I feel I am paid fairly."

The Finding:

Of the exited employees, 20.26 percent disagreed or strongly disagreed to this statement, compared to only 12.09 percent of the retained employees.



COMMENTS FROM THE EXITED.

As a newcomer, I've tried to **bring ideas, but they don't seem to get consideration.** I've seen other new employees get ignored too...I guess those who have been around for a long time figure they know better.

Double standards will not encourage me to really do my best.

The new health plan offered for employees next year is terrible and will result in higher turnover among lower paid employees.

Almost three years I've been at the same level of compensation. I also did not receive any feedback about why or why not.

Health benefits are not up to par.

Why should I give my best when this continues to happen?

I wish there was a way I could stay working for the company, but under the present working conditions, **I'm sure I won't make it.**

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#14

THEY DON'T ENJOY THEIR JOB.

The Survey Item:

"I enjoy doing my work."



The Finding:

Exited employees were 3.9 times more likely to disagree or strongly disagree with the statement.

#15

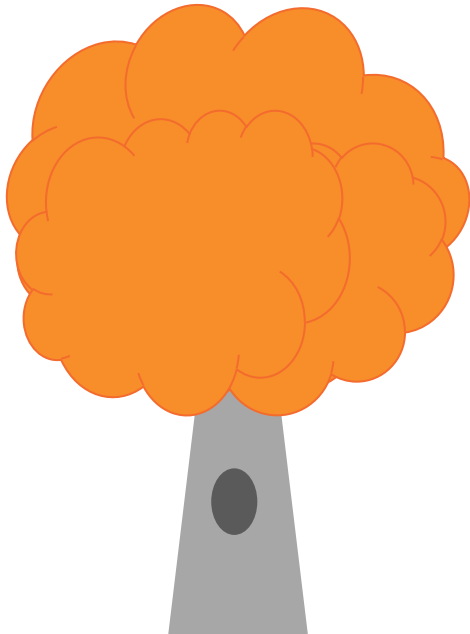
THEY DON'T SEE GROWTH OPPORTUNITIES.

The Survey Item:

"I see professional growth and career development opportunities for myself in this organization."

The Finding:

This was the **second** most unfavorable item for exited employees. In fact, 18 percent disagreed or strongly disagreed with the statement.



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#16

DISBELIEVE THEIR WORK IS RECOGNIZED.

The Survey Item:

"If I contribute to the organization's success, I know I will be recognized."

The Finding:

Of the exited employees, nearly 18 percent disagreed or strongly disagreed with the statement. This was their **third** most unfavorable item.



#17

DISBELIEVE IN FUTURE SUCCESS.**The Survey Item:**

"I believe the organization will be successful in the future."

**The Finding:**

Exited employees were three times more likely to disagree or strongly disagree with the statement.

COMMENTS FROM THE EXITED.

There is **no plan for employees to move up** within the company. I would like to be able to move up within the company; however, I have tried and given 100%, but it is not good enough. If I do not look a certain way or am not in a certain clique, then I am not considered.

The company is **poor in planning for the future.**

I'm not sure what the long-term plans are for the company, as it appears an overall strategy is not in place.

I do not see any **career path and growth here.**

Reward employees rather than constantly beating them down.

I am interested in a job with more **responsibility, and I am very ready for a new challenge.**

There is no **recognition for doing a job well done or going above and beyond.**

I hope in the next few months we could find solutions to streamline our work, so we can **enjoy it more.**

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#18

DON'T SEE THEIR FIT IN SUCCESS.

The Survey Item:

"I understand how my job helps the organization achieve success."

The Finding:

Employees that left were three times more likely to disagree or strongly disagree with the statement than the employees who stayed.



#19

THEY AREN'T GETTING FEEDBACK.**The Survey Item:**

"My immediate supervisor regularly gives me constructive feedback on my job performance."

The Finding:

This item tied with the next item for having the fourth greatest difference in average score between retained and exited employees. Retained employees' average score was 4.74 on the six-point scale, compared to exited employees' average score of 4.18.





DISBELIEVE LEADERS VALUE PEOPLE.

The Survey Item:

"The leaders of the organization value people as their most important resource."

The Finding:

This item tied with the previous item for having the fourth greatest difference in average score between retained and exited employees. Retained employees' average score was 4.50 on the six-point scale, compared to exited employees' average score of 3.94.



COMMENTS FROM THE EXITED.

While my manager doesn't micro-manage me, she also doesn't give any constructive or positive feedback.

Some department leaders don't communicate to the team regularly; they treat the employees like slaves.

I have seen team leaders being so rude and caustic that people are afraid to speak.

We also don't believe that employees are our greatest asset, and that is a detriment to our growth and our ability to retain talent.

I feel like the direct supervisor would rather throw me under the bus to save herself then help me reach my goals.

If employees are not **EMPOWERED**, then we will not feel valued.





ENGAGEMENT HAS PREDICTIVE POWER.

It is overwhelmingly evident from this study that employee engagement has predictive power when it comes to employee turnover. The more disengaged employees are, the more likely they are to leave.

Collecting employee feedback annually, analyzing the results, and taking action are critical steps to reducing turnover and increasing retention.

By leveraging employee feedback, you can take preventative measures and gain a better understanding of how your culture is cultivating or hindering engagement and retention.

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LET US HELP YOU IMPROVE YOUR GAME.



Corey Farley
Engagement Manager

Reducing turnover starts with listening to your employees. Quantum Workplace can help you:

- Conduct an engagement survey
- Leverage social exit interviews
- Introduce a leadership-360 tool
- Perform a turnover analysis
- Conduct a drivers analysis
- Identify areas at risk for turnover
- Empower managers to take action
- Increase engagement and reduce turnover

Talk to one of our engagement specialists today to receive a free consultation on your turnover strategy.

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