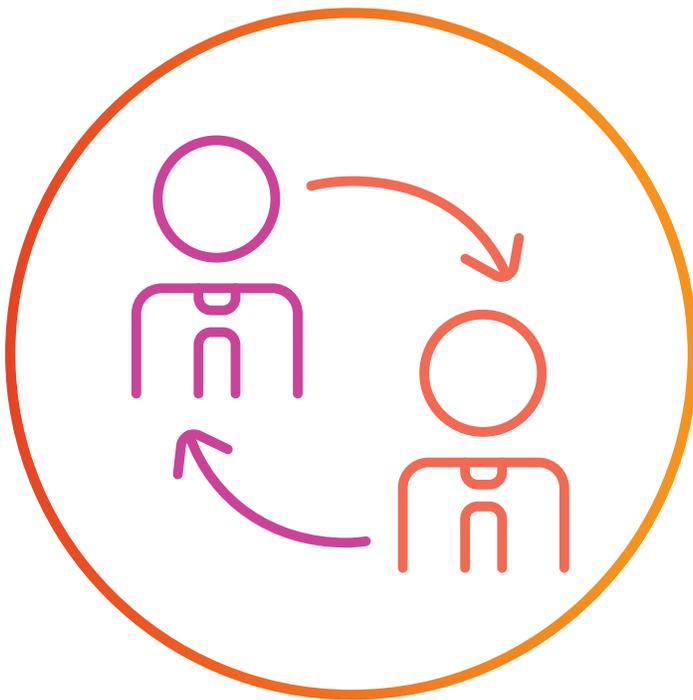


# Turnovers Can Cost You the Game



At the end of his shift, James, your best manager, tells you he's giving his two weeks' notice. James was one of your best people. Before him, the position had been a revolving door, but in the four years since he started, James created order out of chaos, made some great hires and gained the respect of the entire staff. You wonder how you'll find another foreman as good as James.

You go back to your desk, realizing you neglected to ask why James is leaving, or if there's anything you can do to change his mind. You suddenly realize you need to detect warning signs and collect information that may reduce turnover in the future.

## Defending against turnover

Turnover is a problem for companies of all sizes. Experts estimate it costs upwards of twice an employee's salary to find and train a replacement. But offering James more money probably isn't going to help. A recent LinkedIn survey<sup>1</sup> cites compensation as only #5 on the list of top reasons people change jobs. And according to CEB, a global best practices insights and technology company, half the employees who accept a counteroffer leave within 12 months anyway.<sup>2</sup>

In small- and medium-sized businesses, you're already working lean and you probably don't have someone who can step into the vacated role, even on an interim basis. Employee morale and productivity can also take a hit.

While it's impossible to predict the future, smart managers have learned to ask the right questions and look for trends in data to reduce turnover among their workforce.

If you work with an HR solutions organization, you may have access to workforce analytics

that can provide a wealth of data about your employees and even help you predict movement. But even business owners who have the right tools often don't have the inclination or time to learn how to use them. If that's the case, seek guidance from your HR manager or research ways to identify potential trends and develop a strategy to prevent future turnover.

### Spot the signs

Equally important as the information you collect after the fact are warning signs you can pinpoint ahead of time. While these signs may be easier to track using workforce analytics, you and your managers can often spot the signs using your powers of observation. Personal milestones can cause people to reflect on their achievements and evaluate their prospects. Here are some indicators to watch for.

### Career risk triggers<sup>2, 3</sup>



If you sense an employee may be considering making an exit – and even if you don't – make a point of having regular one-on-one conversations. Find out about their interests, challenges and career goals. While it's true

### Top reasons people leave a job<sup>1</sup>



that smaller businesses can't always provide career advancement opportunities, there are other ways to help employees fulfill their goals, such as giving them special projects, or the opportunity to hone new skills.

At Legal Monkeys, a small medical records processor in Texas, teamwork and employee appreciation are sewn into the fabric of their culture. "By building each other up, we all get better and together we get stronger," explained its CEO, Corey Cormier. They use a simple tool: an appreciation board. The board is a glass picture frame that one employee gives to another who's done something noteworthy. Whoever receives the board displays it at their work station until they're ready to pass it on to someone else. The achievement is then shared on the company's Facebook page, along with a photo, allowing the recipient to share their recognition with family and friends.

### Develop a playbook

While some turnover is unavoidable, it's possible to lower the incidence of resignations by addressing major causes before they happen. In a competitive talent market, it's not only what the candidate can do for you, but what you can do for the candidate.

## Conducting the exit interview<sup>4</sup>

If turnover is a persistent issue, make it a habit to conduct a formal exit interview, whether you do it yourself or assign it to a HR manager. Exit interviews should include questions such as:

1. What prompted you to seek alternative employment?
2. Before making your decision to leave, did you investigate options that would enable you to stay?
3. What did you think of your supervisor with regards to:
  - Demonstrating fair and equal treatment
  - Providing job recognition
  - Developing cooperation and teamwork
  - Listening to suggestions
  - Resolving problems and complaints
4. How did you feel about your workload?
5. How did you feel about your salary and benefits?
6. How often did you have discussions with your manager about your career goals?
7. What did you like most about your job/ the company?
8. What did you like least about your job/ the company?
9. Do you have suggestions for improvement? Have you raised them in the past?
10. Why is the new job/company better?



Going forward, rethink some of your talent acquisition and management strategies. Here are a few tips, courtesy of a *Wall Street Journal* leadership guide:<sup>5</sup>

- Interview candidates carefully. Not just to ensure they have the right skills, but also that they're a good fit with your company culture, managers and coworkers.
- Offer training opportunities to demonstrate an investment in your employees' success.
- If possible, be creative with benefits, flexible work schedules and incentives.
- Recognition and praise are low-cost ways to maintain a happy, productive work force.

### ADP® is in your corner

Analytics are a critical tool for working more strategically. With talent management services and ADP, you'll get insights on your people that help drive smarter decision-making, identify where your top talent is coming from and highlight what factors contribute to their success.

<sup>1</sup> LinkedIn Survey. Why & How People Change Jobs, 2015.

<sup>2</sup> CEB Corporate Leadership Council. The New Path Forward: Creating Compelling Careers for Employees and Organizations, 2016.

<sup>3</sup> ADP Spark. Talent Analytics: Tracking Employee Turnover, 2016.

<sup>4</sup> Society for Human Resources Management. Termination: Exit Interview Questions, 2014.

<sup>5</sup> The Wall Street Journal. How to Reduce Employee Turnover.