About PrideStaff

PrideStaff was founded in the 1970s as 100 percent company-owned units and began staffing franchising in 1995. They operate over 65 offices in North America and serve over 4,500 clients.

With over 40 years in the staffing business, headquartered in Fresno, CA, PrideStaff offers the resources and expertise of a national firm with the spirit, dedication and personal service of smaller, entrepreneurial firms. For more information on their services or for franchise information, visit www.pridestaff.com.

About This Study

In March 2015, PrideStaff conducted an online survey to gauge employee retention issues and trends. The survey was completed by over 600 individuals located throughout the U.S. across a wide range of industries and company sizes.

Results showed that, despite the strain it places on existing employees, most employers do not have a proactive recruiting or retention plan in place.

To keep your best and brightest working for you as our economy continues to improve, PrideStaff recommends a multifaceted approach, including: offering competitive compensation; ensuring opportunities for growth and recognition; and maintaining adequate staff levels to reduce overwork and burnout.

Industry Breakdown:

- Manufacturing: 31.9%
- Professional Services: 11.7%
- Finance, Insurance, Real Estate: 10.3%
- Healthcare: 8.8%
- Transportation: 7.8%
- Construction: 7.3%
- Retail: 6.5%
- Nonprofit: 4.6%
- Internet/Technology: 3.4%
- Government: 2.7%
- Hospitality: 2.5%
- Agriculture/Mining: 1.7%
- Communications, Utilities: 0.8%

Organization Size:

- 1-10 Employees: 13.6%
- 11 - 25 Employees: 17.1%
- 26 - 49 Employees: 14.2%
- 50 - 99 Employees: 16.7%
- 100 - 499 Employees: 22.2%
- 500 - 999 Employees: 5.1%
- 1,000+ Employees: 11.1%
Key Findings

As our economy continues to improve, employment opportunities are becoming more plentiful. Individuals who are dissatisfied with their current work situations are becoming increasingly confident about their job prospects – and are often willing to quit so they can search full time for other opportunities.

Employee retention is in the spotlight once again. How are U.S. employers addressing turnover problems, and what can your business do to keep your best employees working for you? Let’s take a look at the survey findings:

Better Opportunities, Pay Are Chief Drivers of Voluntary Turnover

Turnover is most often initiated by the employer: 42.3% of respondents let employees go due to underperformance. In many cases, however, employees leave their jobs in favor of “greener pastures,” including better career opportunity/advancement (20.7%) and higher-paying jobs elsewhere (18.9%).

What is the most common cause of employee turnover in your organization?

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<tr>
<th>Answer Options</th>
<th>Response Percentage</th>
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<tr>
<td>Let go due to underperformance</td>
<td>42.3%</td>
</tr>
<tr>
<td>Decreased demand or budget constraints</td>
<td>10.4%</td>
</tr>
<tr>
<td>Higher-paying jobs elsewhere</td>
<td>18.9%</td>
</tr>
<tr>
<td>Better career opportunity/advancement</td>
<td>20.7%</td>
</tr>
<tr>
<td>Better benefits package elsewhere</td>
<td>1.3%</td>
</tr>
<tr>
<td>Unhappy with corporate culture</td>
<td>2.9%</td>
</tr>
<tr>
<td>Unhappy with management</td>
<td>3.5%</td>
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If your organization’s turnover is primarily due to poor performance, examine your hiring process to identify ways to improve the fit between the candidate and the opportunity. A recruiting partner like PrideStaff can help you hire more accurately and grow your team with high performers who will thrive long term.

To reduce voluntary turnover, neutralize the key culprits:
- Create clear 3- to 5-year career paths that challenge star employees, satisfy their professional needs and keep them motivated to perform for you.
- Pair high performers with mentors to accelerate their growth within your organization.
- Periodically review compensation to ensure you are paying at, or above, market rate.
Turnover Levels Remain Largely Unchanged

Nearly half of respondents say that turnover rates were the same for 2014 as in the previous year, and that they anticipate rates to remain roughly the same in 2015.

How did turnover in 2014 compare to the previous year?

- 27.4% We had less turnover in 2014
- 26.3% We had more turnover in 2014
- 46.3% Turnover remained about the same

How do you anticipate turnover in 2015 will be, compared to last year?

- 14.0% I expect turnover will increase
- 38.2% I expect turnover will decrease
- 47.8% I expect turnover to remain roughly the same

Every time you lose a good employee, you lose money right off your bottom line. PrideStaff’s staffing and recruiting solutions can help you increase retention and prevent critical workforce gaps – even in today’s tight labor market.
“Reactionary” Approach to Turnover Is Most Common

Employers who have a proactive recruiting strategy in place are in the best position to minimize the negative effects of turnover, however, the vast majority of companies do not have such a plan.

How would you describe your company strategy for dealing with turnover?

- **61.5%** We deal with turnover on a case-by-case basis and only recruit when we have an opening
- **13.8%** We have a proactive recruiting strategy in place and have built a bench of available talent
- **14.8%** We are in the process of defining a more strategic approach to dealing with turnover
- **5.9%** We do not have a plan in place
- **4.0%** Unsure

PrideStaff can help you develop a strategic approach to managing workforce issues like critical staffing gaps, chronic overwork and turnover. We can support your team with a bench of ready talent to increase productivity, retention and profitability.
Turnover Places Additional Burdens on Existing Employees
Most companies rely on existing employees to “pick up the slack” and maintain productivity when turnover occurs. While this may be a viable short-term option, increasing direct employees’ workload for an extended period can lead to a loss of focus, job burnout, decreased morale and ultimately, higher turnover.

When dealing with unplanned turnover, what strategies do you employ to ensure productivity doesn’t slip?

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<tr>
<td>Job responsibilities are split among other employees on a temporary basis.</td>
<td>67.7%</td>
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<tr>
<td>We use temporary employees to ensure productivity doesn’t slip.</td>
<td>32.1%</td>
</tr>
<tr>
<td>We offer overtime to existing employees to fill the gap.</td>
<td>30.7%</td>
</tr>
<tr>
<td>We conduct an immediate internal hiring search to fill the position as quickly as possible.</td>
<td>20.5%</td>
</tr>
<tr>
<td>We partner with an outside recruitment partner to fill the position as quickly as possible.</td>
<td>19.5%</td>
</tr>
<tr>
<td>Job responsibilities are split among other employees on a permanent basis.</td>
<td>10.5%</td>
</tr>
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</table>

PrideStaff recommends a combination approach as the most effective way to deal with unplanned turnover. Allow us to provide qualified temporary employees to meet your immediate, short-term needs and maintain productivity levels while we simultaneously search for a full-time replacement.
Employee Reviews, Compensation Tools in Combating Turnover

With job prospects continuing to improve, employers are taking a multifaceted approach to retaining their best employees. The majority of employers conduct employee reviews and offer yearly salary/pay increases; many companies also provide a bonus structure.

While pay is important, employers realize that opportunities for growth, education, recognition and work/life balance are also powerful retention tools.

What incentives do you offer current employees to help reduce unplanned turnover?

- Employee reviews: 56.7%
- Yearly salary/pay increases: 53.7%
- Employee bonus structure: 42.0%
- Continuing education opportunities: 32.3%
- Employee appreciation/corporate outings: 31.4%
- Informal/random employee recognition program: 30.3%
- Employee performance awards: 22.5%
- Internal career advancement programs/promotions: 22.5%
- Career mentoring: 21.4%
- Additional paid time off: 20.6%
- Formal employee recognition program: 20.1%
- Productivity bonus structure: 18.4%
- Anonymous employee satisfaction surveys: 16.0%
- On-site amenities like a fitness center, cafeteria, etc.: 13.4%
- Employee of the Week or Month Awards: 12.3%
- Child care program/reimbursement: 2.4%

To help ensure your compensation offerings are competitive, PrideStaff offers free market-specific and position-specific salary data through our Compensation Portal. To access up-to-date salary information for positions in your area, contact your local PrideStaff office.
**Employers Split on Exit Interviews**

Roughly half (51.4%) of employers conduct an exit interview when an employee leaves. Employers that do not consistently do so are missing opportunities to obtain candid feedback on their culture, management, work processes and environment that could help reduce future turnover.

**When an employee leaves, do you typically conduct an exit interview?**

- 51.4% Yes
- 27.8% Sometimes
- 20.8% No

If you don’t have a consistent, formal exit interview process in place, create one. Conducting thorough exit interviews helps to:

- Reveal hidden management, process or culture issues that may contribute to turnover.
- Identify “candidate poachers” – competitors who may be aggressively recruiting your top talent.
- Minimize future turnover and its related expenses.
Looking for Better Ways to Tame Turnover and Increase Retention?
PrideStaff has the solutions you need.

Workforce Growth Solutions
Use our Workforce Growth Solutions to manage workload fluctuations strategically. When things get busy, we provide qualified temporary employees to support your core team, greatly reducing employee burnout and resultant turnover.

For more information, visit www.pridestaff.com/workforce-growth-solutions.

On Target
PrideStaff takes the guesswork and risk out of hiring, identifying candidates with the personality traits, validated performance and soft skills needed to thrive in your culture, long term. Our On Target fulfillment process eliminates chance and inconsistency, helping you to create a lasting match between employer and employee.

For more information, visit www.pridestaff.com/target.

1. Face-to-face meeting with department manager to develop job profile.
2. Interview current employees to verify duties and skill requirements.
3. Job shadow to ensure a clear understanding of the position.
4. Benchmark current employees on critical skills:
   • Design a set of evaluations to key in on essential skills
   • 4 to 6 current employees complete evaluations (over the Internet)
   • Calibrate results to develop minimum acceptable performance criteria
   • Share results with department manager and participating employees

1. Candidates will complete same assessments as your employees.
2. Only those whose results meet or exceed Job Map will be referred for employment.

**On Target Benefits**
• Supplemental staffing
• Consistent quality
• Increased productivity
• Reduced training costs
• Lower turnover
• Easier ordering process
• Fewer headaches

**On Target 110% Guarantee**
If we ever miss the mark on your temporary staffing request, you will receive a 100% credit for the first day plus a 10% reduction for the first day of the replacement.
OUR MISSION:
Consistently provide client experiences focused on what they value most.

www.pridestaff.com