



Where Are The Best Employees Going?



MOST ORGANIZATIONS DO THEIR BEST TO MINIMIZE TURNOVER AND CONTINUALLY IMPROVE EMPLOYEE RETENTION NUMBERS.

After all, your employees are your number one asset, and keeping talented people in place maximizes your competitive advantage.

In order to grow retention numbers, you have to understand what motivates great people to leave. Today we will examine:

- the number of workers who quit their jobs every month;
- the reasons why they quit, and the environments they seek out;
- how turnover in your contingent labor force also impacts your business; and
- how you can use this information to retain top performers.

Are you ready to start keeping your entire workforce engaged and boost your retention rate?



AMERICANS ARE QUITTING THEIR JOBS IN RECORD NUMBERS

According to the U.S. Bureau of Labor Statistics, the number of Americans voluntarily quitting their jobs hit a nine-year record high at the end of 2016.¹

Data shows that around 3 million Americans quit their jobs every month, highs that haven't been seen since the close of 2006, well before The Great Recession.

Part of the reason so many people are quitting, according to the Federal Government, is confidence in job markets. Great employees who were once worried about finding a stable new job are now comfortable seeking out greener pastures.

Employers who may have developed a sense of complacency over the last several years need to start paying attention to this trend and focusing on building stronger retention to keep top talent.

¹ <http://fortune.com/2016/02/09/americans-quitting-jobs/>



REASONS WHY GOOD EMPLOYEES QUIT THEIR JOBS

Managers often blame high turnover on the employees themselves. But there are some common reasons why employees quit, and it often has to do with the culture and management of the organization itself.

- **A BAD BOSS.** You've probably heard the saying, "people don't leave jobs; they leave bosses." A bad boss is the number one reason employees quit.
- **LACK OF OPPORTUNITY.** Great employees aren't content to stay stagnant in their careers. If you don't offer clear opportunities for them to grow, they will seek out those opportunities with other companies.
- **FEELING UNCHALLENGED.** Talented people won't stay engaged if they are stuck with mundane tasks that don't challenge them intellectually. They want to be pushed outside their comfort zone.





- **BURNOUT.** Current workloads and lack of work-life balance will virtually ensure your best people will leave you. Usually, your most capable employees are the ones suffering under the heaviest workload.
- **LACK OF APPRECIATION.** Everybody wants to hear “good job” and “thank you.” When managers and leaders fail to show even basic appreciation, it causes low morale and even resentment.
- **MICROMANAGEMENT.** Capable employees don’t need someone standing over their shoulder, and frustration will build if they constantly feel micromanaged.
- **VAGUE VISION.** Talented people want to know the work they do each day is driving the company towards its goals. Failure to articulate a clear vision will cause people to feel like they are simply spinning their wheels.



HOW TO KEEP TALENTED EMPLOYEES ENGAGED (AND BOOST RETENTION)





Now that you know the reasons why employees quit, you can start digging into your management culture to develop strategies to keep talented people engaged in their work.

- **FIRST, STUDY MANAGER PERFORMANCE.** Remember, people leave bosses, not jobs. Do some managers have higher turnover rates than others?
- **ENCOURAGE MANAGERS TO CHALLENGE TOP PERFORMERS.** Even if there are no immediate opportunities to promote high performers, encourage managers to assign those people new tasks, projects and challenges and cross-train them in new areas to keep them engaged.
- **IMPROVE WORK-LIFE BALANCE.** Find ways to incorporate flexibility. Can employees telecommute a few days a month? Can you develop staggered start and quit times? Can you reduce interruptions of staff who are taking PTO?
- **PREVENT BURNOUT.** Better work-life balance can reduce burnout, but so can strategic workforce development. Can contingent workers be utilized to help manage periods of high demand?
- **PROMOTE RECOGNITION.** Make sure people are recognized and rewarded for a job well done.
- **ARTICULATE YOUR VISION.** Clearly state your vision, mission and goals and help employees understand how their work fits into the big picture.

Your best employees want to do a good job for you. Focusing on what they want from you can have a major impact on retention.



TEMPORARY EMPLOYEES ALSO QUIT ASSIGNMENTS EARLY

It's not just permanent employees you have to worry about. Hiring a temporary employee also comes with risk. More companies are relying on contingent labor than ever before. Nearly 40% of the current workforce is classified as contingent, and 18% of the average company's workforce is contingent.²

Furthermore, according to recent data, 31% of temporary workers said they have quit an assignment early. The most common reasons for quitting an assignment early were:

- being offered a better job by a different organization;
- finding that the job did not align with the description; and
- feeling as though they were not treated well on the job.

If your organization utilizes temporary and contract workers to manage workflow and demand, it is necessary to pay attention to turnover among your contingent workers.

² https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&cad=rja&uact=8&ved=0ahUKEwj6yJ3u3vLVAhVD34MKHccGAMYQFgg8MAI&url=http%3A%2F%2Fwww.peopleticker.com%2Fcontent%2Fblog%2Ffiles%2FTheContingentLaborMarket.pdf&usq=AFQjCNHDP8jgl_g5mvgmA14HIJQcHl4ww



A CLOSER LOOK AT WHY TEMPORARY EMPLOYEES QUIT EARLY

Just what drives temporary employees to give up on an assignment before it is complete? There are several factors:

- 25% of temporary workers leave because they get offered another job. This could be because they were using the temporary assignment as a placeholder while they searched for a permanent position, or it could be an offer for a “better” temp assignment.
- 25% quit an assignment early due to miscommunication about the position itself. This includes responsibilities that differ from the description, pay or benefits were not delivered as promised, shifts were not assigned as assured, and other factors.
- 21% quit early due to dissatisfaction with the environment:
 - 18% leave because they don’t like their co-workers or managers.
 - 3% leave because they felt excluded from the group.
- 8% of temporary employees quit an assignment early due to lack of training and sink-or-swim approach.



WHY IT MATTERS IF YOUR TEMPS ARE QUITTING EARLY

Employers understand the problems associated with turnover among permanent staff, but turnover among contingent workers is also problematic.

Many managers think, "it's ok, I'll just call the staffing agency and get another warm body". However, it is important to keep good temps engaged in their work to control costs and achieve the productivity levels you were hoping for when you originally placed the order.





If a temporary employee leaves early, you will face:

- **HIGHER COSTS.** A temp search may not cost as much as a full-time search, but it still costs money.
- **DECREASED MORALE.** When a temporary employee quits, the workload falls back on your full-time staff.
- **LOWER PRODUCTIVITY.** Training a new temporary employee means less work is getting done than if the first person had stayed with you.
- **LACK OF ACCESS TO TALENT.** A temporary employee who does a great job and enjoys working for you will likely come back if you need them in the future. They are also great candidates for full-time positions. A poor culture for temps limits your access to great people in the future.
- **A BAD REPUTATION.** Employees can and do review your company online, and this includes temporary staff. If a contingent worker feels they were not treated honestly or fairly, they will tell others.



HOW TO KEEP TEMPORARY EMPLOYEES ENGAGED

If you want to keep great temps for their entire contract period, there are things you can do to keep them engaged:

- **RE-EVALUATE JOB DESCRIPTIONS.** Be certain that the description provided to the temporary employee, by you and by the staffing agency, align with the actual requirements of the job.
- **REVIEW PAY.** Make sure the staffing agency has the proper pay rate and they are paying the temporary employee as promised.
- **GIVE THEM THE TOOLS THEY NEED.** Make sure your temporary staff has all the logins, shared files and location access they need to move through their day. Also take the time to show them around the office so they know where to find the people and supplies they need to do their job.





- **TRAIN THEM.** Onboarding and training is often overlooked with temporary employees. However, properly training them makes them feel connected to their work, ensures they can meet your performance expectations and makes them feel like part of the team.
- **PROVIDE FEEDBACK.** Temporary employees need feedback just like permanent staff. They are there to help you succeed and they can't do that if they aren't being evaluated on what they are doing right and wrong. Offer praise for a job well done and address mistakes as they happen.

Focusing on creating a welcoming and positive environment for temporary employees will help you retain those workers for the full length of the contract, and will help you build a talent pool you can draw from again and again.



ARE YOU READY TO IMPROVE RETENTION?

You can see that it doesn't take a complete overhaul of your corporate structure to boost retention and keep competitors from stealing your best people, but it does take time and resources.

And while you work on making improvements, turnover is likely to continue.

If you are looking for ways to boost retention and keep your workforce productive while you implement these strategies, partner with an expert staffing firm that can help you access the permanent and contingent talent you need to keep your business moving forward, even as you face change.

As you work to build a strong company culture, you may need some support.

Turnover, open positions and misaligned staff can have a negative impact on company morale.

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