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## Employee Turnover Costly and a Growing Problem for Canadian Businesses

### *Turnover Placing Heavy Burden on Remaining Workers*

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**TORONTO, Nov. 30, 2022**—Employee turnover is becoming an increasingly costly problem that continues to plague Canadian businesses still trying to recover and readjust from the COVID-19 pandemic, according to a survey from The Harris Poll commissioned by Express Employment Professionals.

More than one-third of Canadian companies (35%) say employee turnover has increased compared to last year, a significant rise from the nearly a quarter (24%) who said the same thing in 2021.

According to the survey, employee turnover costs companies an average of over \$41,000 each year (including the cost to rehire, lost productivity and more). Those costs are even higher for some employers, with more than 1 in 10 hiring managers (16%) reporting \$100,000 or more per year in turnover expenses.

For companies with increased turnover this year, the main causes identified include better pay and/or benefits offered elsewhere (36%), employees resigning (35%), employees feeling overworked (33%), retirements (30%), increased workplace demands (29%) and better perks elsewhere such as summer Fridays and unlimited vacation days (28%).



Turnover does more than impact a company’s finances; it can also impact employees who remain with a company. Two-thirds of companies agree that employee turnover places a heavy burden on existing employees (64%). This is especially the case with large employers with 100 or more employees (75%) compared to small businesses with fewer than 10 employees (50%). With the added complexity of the current labour shortage, companies are having to lean heavily on their current employees.

“The costs of employee turnover can be absolutely devastating,” according to Brent Pollington, an Express franchise owner in Vancouver, British Columbia. “Companies have been innovating and adapting, but job seekers keep increasing their demands. Businesses are more willing to hire for aptitude and motivation and then train for skill and knowledge but, as a result, the learning curve is great and longer tenure is required for the business to see a return.”

Pollington says companies need to take a serious look at what can help them stem the exodus of workers if they want to avoid costly turnover.

“Turnover costs much more than a salary increase, so companies may need to open their pockets more than they might want,” said Pollington. “However, job seekers need to be aware that higher salaries can come with greater expectation on the employee and can make the barrier to entry greater for job seekers, further increasing the divide between job seekers and employers.”

But salary isn’t the only reason for turnover.

“The other main cause of turnover is lack of leadership and poor company culture,” said Pollington. “Leaders need to find better ways to engage their employees. There are so many factors other than compensation that lead to good company cultures.”

It’s no surprise workers are willing to jump for better opportunities, Express Employment

International CEO Bill Stoller said.

“A well-rounded workforce is one that stays,” he said. “The goal of any employer should be to create such a healthy company culture that top talent will turn down other job offers. It may just be the key to stopping future turnover.”

### **Survey Methodology**

The survey was conducted online within Canada by The Harris Poll on behalf of Express Employment Professionals between May 3-23, 2022, among 504 Canadian hiring decision-makers (defined as adults ages 18+ in Canada who are employed full-time or self-employed, work at companies with more than one employee and have full/significant involvement in hiring decisions at their company). Data were weighted where necessary by company size to bring them into line with their actual proportions in the population.

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If you would like to arrange for an interview to discuss this topic, please contact Ana Curic at (613) 858-2622 or email [Ana@MapleLeafStrategies.com](mailto:Ana@MapleLeafStrategies.com).

### **About Bill Stoller**

William H. "Bill" Stoller is chairman and chief executive officer of Express Employment International. Founded in Oklahoma City, Oklahoma, the international staffing franchisor supports the Express Employment Professionals franchise and related brands. The Express franchise brand is an industry-leading, international staffing company with franchise locations in the U.S., Canada, South Africa, Australia, and New Zealand.

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