

Employee Turnover Continues to Increase with an Average Annual Cost of \$57,150

Turnover Placing Heavy Burden on Remaining Workers

Latest Results from The Harris Poll

OKLAHOMA CITY, Nov. 30, 2022—Employee departures continue to plague the workforce as 48% of U.S. hiring managers say their company is experiencing increased turnover, up from 44% in late 2021.

This is according to a survey from The Harris Poll commissioned by Express Employment Professionals.

Each year, employee turnover costs companies an average of \$57,150 (e.g., cost to rehire, lost productivity) overall. Nearly a quarter of hiring managers (23%) say it costs their company \$100,000 or more per year.

Impact on Remaining Staff

Turnover does more than simply affect a company's finances; it can also impact its other employees. Slightly more than 7 in 10 (71%) hiring managers agree employee turnover places a heavy burden on existing employees—specifically in companies with 100-499 employees (76%) and those with 500 or more employees (78%). With the added complexity of the current labor shortage, companies are having to lean heavily on their current employees.

A majority of hiring managers (78%) say their company has been affected in some way by the departures, namely having to increase workloads for existing employees (38%). As a result of the heightened turnover, around 4 in 5 (82%) plan to rehire former employees, generally either to increase their overall headcount (43%) or keep the same level of personnel (32%).

Turnover Causes

For companies that have seen increased turnover this year, many hiring managers attribute

these vacancies to employees resigning (34%), increase in workplace demands (31%), better pay/benefits offered elsewhere (31%) and the competitive job market (28%). Around a quarter say the reason for the increased turnover is due in part to employees retiring (26%), better perks elsewhere (e.g., summer Fridays, unlimited vacation days) (26%), better company culture elsewhere (25%) and/or employees feeling overworked (24%).



Turnover the Unseen Morale Killer

Retention has replaced recruiting as the top employment issue with many of our clients, says Greg Sulentic, Express franchise owner in Nebraska.

“Employees have so many choices for employment,” he said. “Often, the application or vetting process is shortened, so there is little incentive for individuals to avoid job hopping for higher paying positions.”

In some cases, the Nebraska franchisee adds that turnover could be positive for employees as those who choose to stay with a company now have the opportunity to move up the ladder faster than they typically would in more stable operations.

“However, the turnover typically is very difficult for the remaining staff, compounding the need for additional shifts and excessive overtime,” he acknowledged. “The result is even higher levels of turnover leading to faster training cycles and higher entry-level wages.”

Florida Express franchise owner Mike Brady asserts that turnover “is the unseen killer” for teams.

“Recognition of your employees goes a long way, which includes not overworking them and making sure they see the effort to try and fix the issues,” he said.

Strategies to Improve Retention

To help stem the exodus of workers, Sulentic and Brady say it's worth the effort to invest in your staff and improve the overall work experience.

"Offer mentorship programs that help new employees adjust to the company culture instead of just basic onboarding," Sulentic said. "Give retention bonuses when new employees hit tenure benchmarks and offer flexible hours and shifts."

Brady suggests making sure pay, company culture, and working conditions are attractive to both job seekers and current employees as a solution to unwanted turnover.

"In addition, ask current team members what they want or how you can help," he added. "It literally pays to listen."

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 the United States by The Harris Poll on behalf of Express Employment Professionals between May 3 and May 23, 2022, among 1,003 U.S. hiring decision-makers (defined as adults ages 18+ in the U.S. 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.

If you would like to arrange for an interview with Bill Stoller to discuss this topic, please contact Sheena Hollander, Director of Corporate Communications and PR, at (405) 717-5966.

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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At Express Employment Professionals, we're in the business of people. From job seekers to

client companies, Express helps people thrive and businesses grow. Our international network of franchises offers localized staffing solutions to the communities they serve across the U.S., Canada, South Africa, Australia, and New Zealand, employing 586,000 people globally in 2021 and 10 million since its inception. For more information, visit ExpressPros.com, and find more employment insights at ExpressPros.com/AmericaEmployed.