



How to Reduce Employee Turnover?

Contents

What is Employee Turnover?

7 Killer Strategies on How to Reduce Employee Turnover

1. The Interview is Where it All Begins!
2. Carefully Design Your Benefits Package
3. Encourage Employee Engagement
4. Have your Performance Management System Up and Running
5. Boost Morale
6. Giving Meaningful Feedback Regularly
7. Invest in Training

You Don't Need to Pay More, Just Pay Attention!

Conclusion

What is Employee Turnover?

Employee churn is by far the most severe hurdle facing most human resources departments today. Retention rates of employees are only going to get worse with the surge in the economy, and the talent crunch due to retiring boomers. The turnover rates for most industries, especially in the service sector, hover around 25%. The employee retention rates will only get worse with Millennials, who are known for job-hopping become a significant part of the workforce.

According to a study, companies that pay under \$50,000 a year cost 20% of the annual salary to replace. These costs include training, management time, and advertising. The lost Dollars alone cannot give you an accurate indication of the exact value of losing an employee.

High employee churn affects your company's bottom line, and there is no getting around it. A high turnover rate can affect the morale of your organization, cost you double to find a replacement, and delay critical projects.

Employees are an essential asset to any company. All the business metrics of an organization get impacted by their performance. Today, these employees are job-hopping at an alarming rate and the reasons for it are, lack of adequate training, employee engagement, and unmet expectations.

"Employers who recognize the importance of investing in their workforce have a more productive workforce, a more efficient workforce, a more loyal workforce, less turnover, and, in the private sector, more profitable."

- Valerie Jarrett

Although reducing the cost of employee turnover is a significant ingredient to evolve a workplace's culture into an enjoyable atmosphere, there is no way to eliminate employee turnover. However, implementing effective strategies to reduce it is crucial for any successful business.

7 Killer Strategies on How to Reduce Employee Turnover

1. The Interview is Where it All Begins!

Almost all human resource experts agree to the fact that the best way to reduce employee churn is to hire the right candidate. It begins with the interview. While hiring the right candidate with the right skill set, qualification, and attitude is essential. It is also vital to make sure their personality and style of work fit your company culture. It is crucial to convey to them the expectations of the company at the time of the interview.

2. Carefully Design Your Benefits Package

Any organization in the industry must make sure that the benefits package that they offer is competitive. Employees today are very picky when it comes to the work environment. They are looking for flexible work-life balance, work from home options, stock options, and much more. Workforce these days do not compromise on pay scale and benefits. Organizations must provide competitive salaries.

3. Encourage Employee Engagement

Always make sure your employees feel safe and at home while working for your organization. The workforce today feels happy and committed when they get involved in working for a specific goal. Involve your employees in all the management decisions; their input is just as critical. The organization should always be open to having a dialogue with all the employees. It helps in developing a company culture where employees are engaged and feel their voice valued.

4. Have your Performance Management System Up and Running

If you are an organization that does not have a performance management system set up, you are looking at serious implications. A performance management system is essential to review an employee's performance and give him/her the deserving credit. It gives employees a reason to stay more focused as they know that their hard work will pay off. Companies that encourage employee ambitions tend to have creative and innovative individuals. Recognition is one of the best strategies to reduce employee turnover, increase productivity, and promote happiness at work.

Recognition could be one of these four things:

- Unexpected
- Personal
- Specific
- Frequent

5. Boost Morale

No employee would like to work in an organization with the dry and dull work culture. It would bore even the most dedicated employee. Every employee, no matter which company or level he works at, deserves some time off work. Companies should encourage a cheerful, lighthearted, and fun atmosphere. It is essential to make employees feel like they are a part of a community by planning events and excursions.

6. Giving Meaningful Feedback Regularly

Employees who know their strengths and weaknesses tend to demonstrate a stronger commitment and better self-awareness. Giving regular but useful feedback has proven to be effective in reducing churn and keeping employees happy. It is essential to identify successes and opportunities for improvement while providing feedback.

Useful feedback is a constructive way to motivate employees and proactively address problems. It enables employees to have a clear understanding of their areas for improvement. It makes them feel less inclined to seek out new positions.

7. Invest in Training

When employees feel that the organization is investing in furthering their training and education so that they can perform their duties well, it fosters a more significant relationship. When they can be trained in different areas within the organization, they get to know how important they are to the organization. It also provides them with an opportunity to explore other job opportunities within the organization.

You Don't Need to Pay More, Just Pay Attention!

Since reducing employee turnover is a never-ending process, it is very little you can do to try to eliminate it. However, the above-proven strategies to reduce turnover will help you make your workplace a positive environment where employees would like to work.

Employees start looking elsewhere only when they aren't appreciated enough, or when they have no room to grow. Understand the needs of your people, focus on them, involve them, and reap the rewards.

Conclusion

HR Analytics is a giant leap in the field of HR; it requires astute professionals who understand the inner workings between employee lifecycle events, who are proficient in statistical tools, analytical tools, and data science. It is no surprise that people analytics help in identifying trends in human-capital data and generate actionable insights that lead to better decision making.

Furthermore, SplashBI is making insights accessible through continuous updates so that organizations can make critical decisions in real-time without HR intervention.

SplashHR by SplashBI offers dynamic KPIs using table drill-downs and charts to give a comprehensive insight into your HR data. We help you get a glimpse of the most important KPIs of your organization's HR data and allow you to plan a strategy accordingly.



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