



Six Truths about Employee Turnover

[✉ Email to a Collee](#)

By F. Leigh Branham

Truth No.1: Turnover Happens

Achieving zero percent turnover is not realistic, especially in today's job market.

[Keeping the People Who Keep You in Business](#)
[12 Ways to Keep C Employees](#)
[20 Creative Ways to Hire the Right People](#)
[Six Truths about Employee Turnover](#)
[10 Ways To Retain Generation X'ers](#)
[Sample Chapter](#)

2000

General Business/Human Resources
Hardcover • 352 pages
0-8144-0597-5
\$27.95

Order this Book

Truth No. 2: Some Turnover Is Desirable

Zero percent turnover is *not* desirable for a couple of reasons. First, if all employees stayed and the organization grew steadily, most employees would be at or near the top of their pay ranges and salary expenses would be extremely high. Secondly, new employees bring new ideas, approaches, abilities, and attitudes and keep the organization from becoming stagnant.

Truth No. 3: Turnover Is Costly

Most managers know that turnover is expensive, but two-thirds of 1,290 managers were unable to quantify the cost of turnover when asked in a recent poll. The cost of hiring and training a new employee can vary greatly—from only a few thousand dollars for hourly employees to between \$75,000 and \$100,000 for top executives. Estimates of turnover costs may range from 25 percent to almost 200 percent of annual compensation. Costs that are more difficult to estimate include customer service disruption, emotional costs, loss of morale, burnout/absenteeism among remaining employees, loss of experience, continuity, and “corporate memory.”

Truth No. 4: More Money Is Not the “Silver Bullet”

Talented workers want to feel they are being paid comparably to what other companies pay for similar work in the industry. They also care about being paid equitably with others in similar positions making comparable contributions. When these two conditions exist along with interesting and meaningful work, acceptable working conditions and good management practices, the prospect of making a little more money in another organization where these softer factors are unknown is usually not enough to pull the employee away.

Truth No. 5: Managers Hold Most of the Keys to Keeping the Right Talent

One recent study showed that 50 percent of the typical employee's job satisfaction is determined by the quality of his/her relationship with the manager. Many companies are floundering today in their attempts to improve employee retention because they have placed the responsibility for it in the hands of human resources instead of the managers. Many companies have begun to measure managers' turnover rates and vary the size of their annual bonuses accordingly.

Truth No. 6: Reducing Turnover Starts with Commitment

The organizations that achieve the most dramatic reductions in turnover and maintain those lower levels are usually the ones where the top executive or owner makes it a priority. Even when the top executive is not committed, however, one committed manager can still make a difference.

Adapted from—*KEEPING THE PEOPLE WHO KEEP YOU IN BUSINESS: 24 Ways to Hang on to Your Most Valuable Talent*
by F. Leigh Branham (AMACOM; October 2000)

About the Author

F. LEIGH BRANHAM (*Kansas City, KS*) is vice president and director of professional services for Right Management Consultants, one of the world's leading firms in human resources consulting.

[Back To Top](#)

[Privacy](#) [Contact](#) [Site Map](#)

American Management Association © Copyright 1997-2004
1601 Broadway New York, NY 10019
Phone: 212-586-8100 • Fax: 212-903-8168 • Customer Service: 1-800-262-9699