



THE CASE FOR

HIGH TURNOVER

Defying by Defining the Problem

employee turnover

refers to the number of employees that leave a company, both voluntarily and involuntarily, over a certain amount of time. Turnover is an important factor to consider when it comes to hiring and retaining the best talent as well as the long term success of your company.

When it comes to high turnover, organizations experience frequent and multiple vacancies within the same departments and an increased time-to-fill when vacancies arise—putting them in a constant state of reaction and hiring frenzy. Let's think about some qualifying questions to pinpoint recurring factors that cause employees to leave, e.g., What roles are the hardest to keep filled? What time of year do employees leave? Why are they leaving?

Tracking Turnover

Two out of five manufacturing companies (43 percent) [*report an average of at least 20 percent*](#) annual turnover. Do you know your turnover percentage? To calculate your company's turnover rate over a specified amount of time, divide the number of employees that have left by the total average number of employees.

Once you calculate your turnover, how do you know where you stand? Do some research to see how you measure up in your industry. [*The Bureau of Labor Statistics*](#) is a great place to start. If you have a low turnover rate, sharing your results can be a powerful tool to demonstrate your company's stability to existing and prospective employees.

Here are formulas for monthly, annual, and first-year turnover rates:

$$\text{Monthly Turnover \%} = \frac{\text{Employees Separated}}{\text{Average Number Of Employees}} \times 100$$

$$\text{Annual Turnover Rate \%} = \frac{\text{Number of Employees Who Left}}{(\text{Beginning} + \text{Ending Number of Employees}) / 2} \times 100$$

$$\text{First Year Turnover Rate \%} = \frac{\text{Number of Employees Who Leave After Less Than A Year of Employment}}{\text{Number of Separations During the Same Period}} \times 100$$

Cause & Effect

Tracking and troubleshooting higher-than-normal turnover is a crucial, ongoing task companies of all sizes should prioritize. High turnover can reveal an array of issues at your company that not only affect your workforce, but the efficiency of your business' overall operations. At Allied Reliability, we've noticed several common causes of high turnover:

- The organization's resistance to change management
- Uncompetitive pay and benefits
- Poor work/life balance
- No opportunity for growth or advancement
- Limited or no training provided to allow for continuous improvement
- Employees don't see how they can be part of the "bigger picture" and impact end results
- Insufficient feedback on performance, whether positive or negative
- Lack of collaboration or no promotion of teamwork
- Aging workforce and skills gap among new talent

Where there is a cause, there is always an effect. The above list of common problems that cause high turnover can result in a domino effect of other problems, such as:




- Loss in productivity
- Bad reputation
- Missed production goals
- Increase in maintenance issues and time to repair
 - *Maintenance environment is reactive versus proactive as there are not enough employees to perform PM/Pdm work*
- Employee burnout (from top to bottom) caused by being understaffed and overworked
- Wasted time and money on training employees who leave and take that training to a competing company
- Recruiters, HR personnel, and managers spend more time on hiring than other tasks that are important to the organization
- Reflects poorly on those in the organization who may be indirectly or directly involved in the issues leading to high turnover

The most successful companies go beyond identifying a recurring problem—they work to remove the root cause so it can be prevented in the future. Before rushing to fill a vacancy, HR departments should work internally as well as leverage external services to streamline necessary changes and quickly find the best talent to keep operations running smoothly.

Employee Retention Strategies & Solutions

Any solid retention strategy is backed by research and data. Once you have identified high turnover as a problem, documented your findings, and set measurable goals for ongoing employee-retention initiatives, your team has laid the foundation to start implementing effective low-turnover strategies and solutions.

Here are 10 solutions you can start with today:

-  **01 — Conduct a candidate screening process** with an experienced staffing firm that can quickly filter for prospects who will be a good fit.
-  **02 — Engage candidates** from the beginning of the hiring process throughout employment to foster long-term partnerships. Thus, limiting candidate fall-off or losing qualified candidates to other opportunities.
-  **03 — Utilize consultants** and subject matter experts to not only vet candidates, but work with you to ensure that you are recruiting the right person for an appropriate role.
-  **04 — Provide consistent feedback and weekly reporting** to summarize hiring activities to include which processes work well, what could be improved, and key findings that arise during outreach to prospective candidates.
-  **05 — Implement continued education** at your company for both new and existing employees, such as trainings, consulting, condition monitoring, and more.



06

Study popular industry trends including salary data, employee benefits, feedback on hiring processes, etc.

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Set goals. Once you've calculated your turnover rate, set a realistic goal to benchmark your team's progress.

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Create a culture. Establishing a work environment that your employees feel comfortable in and enjoy will foster a work environment that is not only enthusiastic, but productive.

09

Document data as your turnover rates shift to help discover trends over time.

10

Consult a professional staffing agency that can collaborate with your HR department to recruit, screen, and hire the most qualified employees on the job market.

Low-turnover solutions will differ for each company depending on the number of employees, industry, and how quickly they want to grow. However, these ten solutions will ensure HR teams, managers, operations departments, and reliability leaders are aligned on how to develop or improve your company's employee-retention strategies. Keep in mind that this is an ongoing process that will need to be reviewed regularly. How aggressive are your growth goals? Establish a set schedule with your team to review and revamp this strategy.

See Results

Recent reports show that nearly [*2.5 million manufacturing jobs*](#) will go unfilled through 2028. Don't let these stats scare you—instead, motivate your staff to optimize recruiting and employee management at your facility.

Once you've
implemented your
new strategy, expect
to benefit from:



- Increased productivity
- Decrease in maintenance issues and decrease in time to repair
- Reliability engineers can focus more on preventative and predictive maintenance;
 - *Transitioning the maintenance organization to proactive versus reactive*
 - *Decreasing cost and increasing uptime.*
- Employees feel as if they have a healthy work/life balance
- Employees can solely perform in the role for which they were hired
- Grow a more seasoned and skilled employee workforce
- Investing in employees to utilize trainings to make the organization more successful
- Recruiters, HR, managers, and operations professionals can spend more time on their primary duties and professional development
- Improved reputation, resulting in continuing to attract top talent

Find industry services that can help. [*Contact a professional staffing agency*](#) once there are multiple vacancies and missed deadlines, creating the issues above at which point there is a fire to put out. Allied Reliability is able to provide a quick turnaround in improving the situation. However, the situation could be avoided altogether if we are contacted sooner. Our team is not looking to compete with your internal recruiting or HR team—instead, we serve as an extension of their efforts.





Takeaways

Identifying, tracking, and troubleshooting high turnover is a job that managers and HR departments should continuously focus on perfecting. With employee retention, there is always room for improvement. When you do the work internally to identify pain points as well as practices your company does well, you can work with candidates and external consulting services to develop a plan backed by data and experience to continually decrease turnover.

Training & Professional Development

From the C-suite to the assembly line, invest in both new employees and existing team members to enhance their skills and develop new ones. There are an array of [continuing education options](#) for you to offer your workforce. Training new employees will allow them to easily transition into new roles. Offering insightful course options to existing employees will ultimately add value and optimize efficiency at your facility.

Recruiting & Staffing

The success of your company depends on the people who make up your workforce. Instead of rushing to quickly fill roles at your company, ensure each candidate is properly screened and meets all job requirements. In addition, research market trends regarding employee benefits and what their expectations might be—this will position you well amongst competing organizations. If your workload becomes overwhelming, outsource to a recruiting and staffing firm like Allied.

Improve Your Company's Reputation

Low turnover will increase employee camaraderie and productivity, which will go a long way for the overall reputation of your company—both internally and externally. When your employees are equipped and motivated to perform well in their respective roles, there is a chain reaction of positive effects for the efficiency, productivity, and culture of your company.



most importantly...

Turnover should remain top of mind for an endless amount of reasons. Studying the causes of high turnover will identify the pain points that are causing roadblocks for your organization. Whether your team is in a proactive or reactive state, consider [contacting one of our experts at Allied Reliability.](#)

We have over 30 years of industry experience, and our team can help with all of your maintenance and reliability needs ranging from entry-level to corporate level roles. We position ourselves to be an extension of your organization and provide ongoing support—regardless of the number of vacancies or types of vacancies—to help organizations achieve their goals.



**NEED HELP
BUILDING YOUR DREAM TEAM?**

Our Recruiting & Staffing Team Can Help.

CONTACT US ►