

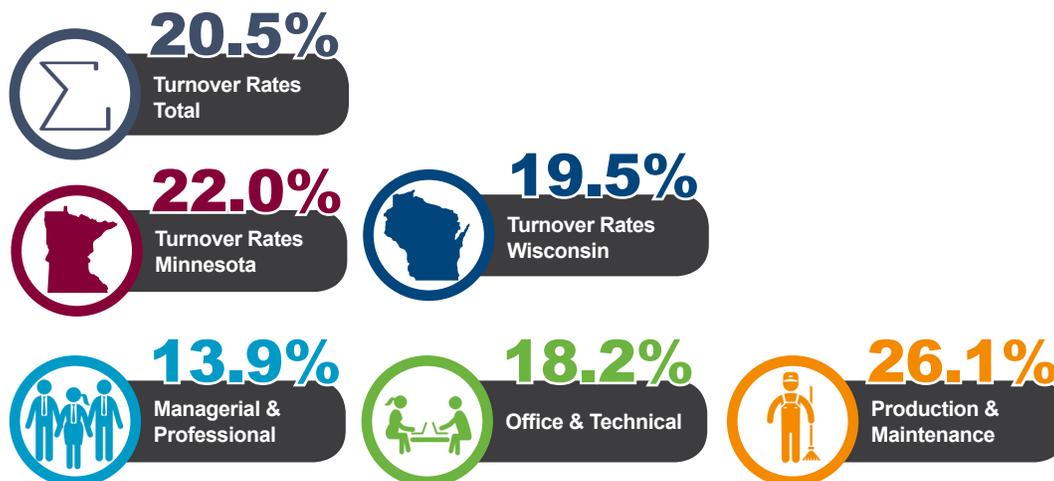
Employee Turnover



MRA is pleased to present this Hot Topic survey as a complement to MRA's biennial comprehensive member survey. Members report that employee turnover is on the rise. Likewise, news reports state that the US unemployment rate has taken another dive. As unemployment rates fall, employee turnover rates increase. MRA's latest Hot Topic survey reports an employee turnover rate of 20.5%, a marginal increase of nearly 7% from prior years, and reveals a steady trend for which employers need to prepare. With a robust job market and great economy it is no surprise that reasons given for voluntary separations outpace involuntary two to one. Results below are here to help you understand how rising Turnover rates in the Midwest may impact your organization.

TURNOVER RATES

TURNOVER RATE FOR EMPLOYEE GROUPS BY ORGANIZATION (JAN. 1 - DEC. 31, 2017)



The average turnover rate based on the companies participating in this survey is 20.5%.

Minnesota's turnover rate was a bit higher (22.0%) than Wisconsin's (19.5%).

The turnover rate is higher among Production & Maintenance jobs (26.1%). Turnover is lowest among Managerial employees (13.9%), followed by Office & Technical employees (18.2%).

INCREASE BY EMPLOYEE GROUP VIA SURVEY PROVIDED BY RESPONDENT (JAN. 1 - DEC. 31, 2017)



- 22% of organizations polled saw greater turnover for Managerial & Professional employees in 2017 than they had seen in prior years
- 17% saw greater turnover for Office & Technical employees
- 27% saw greater turnover for Production & Maintenance employees

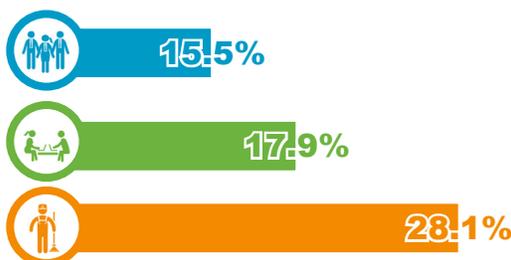
ATTRITION FORECAST & EMPLOYEES EXPECTED TO BE REPLACED IN 5 YEARS

DO YOU FORECAST FOR ATTRITION?

Attrition refers to the loss of employees over time.



EMPLOYEES EXPECTED TO BE REPLACED WITHIN 5 YEARS



Employee Turnover



REASON FOR SEPARATION & PLANS TO OFFSET SHORTAGE

REASONS FOR SEPARATION FROM ORGANIZATION

TOP 3

- Higher salary/better benefits **58%**
- Due to performance **56%**
- Personal issues (family, health, etc.) **45%**

PLANS TO OFFSET SHORTAGE

TOP 3

- Recruit and hire full time employees **80%**
- Overtime hours **59%**
- Process improvement **52%**

SO HOW CAN EMPLOYERS WITHSTAND A RISING TURNOVER TREND?

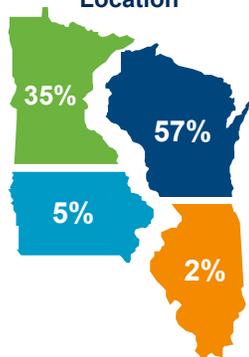
MRA's research indicates that 2018 is bearing forward with ongoing turnover challenges. Employees are seeking better salaries and benefits, retirement, relocation, career change and better work/life balance. Employers look to employee performance and engagement to determine a suitable company fit. When operations are impacted by labor shortage, employers offset by stretching production hours, improving processes and artificial intelligence, and hiring contract workers.

Can employers not only withstand but also change the dynamics of increasing employee turnover rates? The flip side of employee turnover is employee retention. To improve employee retention, companies generally carry out two tactics: improving talent strategy to hire the right people for the right jobs from the start; and developing employees through training, professional growth opportunities, career pathways, and succession plans. The majority of our survey respondents (80%) report the first tactic; they look to hire the right people to offset employee shortage. Quality hires begin with a solid talent strategy. Thirty-five percent (35%) of our survey respondents report the second tactic: they plan to re-skill employees. Investing in employee development will revitalize employee retention and loyalty as well as expand efficiencies, improve performance and increase profit and revenue. This two-track retention approach is a winning combination to ebb the flow of rising turnover rate and the investment in retaining good employees costs far less than employee replacement.

Please stay tuned for MRA's comprehensive 2019 Turnover Survey launching in December, 2018!

RESPONDENT PROFILE

Location



Organization Size



METHODOLOGY



Brief
7 question survey



162
MRA Participating
Organizations



April - May 2018
Data Collected



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