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**FOR IMMEDIATE RELEASE**

**New MRA Survey Shows Slight Decrease in Turnover Rates  
 for Wisconsin Companies**

***Performance Management and Engaging Employees May Help Decrease Turnover***

August 25, 2006, Waukesha, WI – Turnover can be expensive for companies, typically costing anywhere between 50 and 150 percent of the salary of the individual being replaced. MRA – The Management Association released the results of their Turnover and Absenteeism Survey that gathered data on turnover rates for the calendar year 2005 from over 200 Wisconsin companies. The average annual turnover for all employee classifications was 17 percent. This is down slightly from 2004 figures which showed an average turnover rate of 19 percent.

Bonni Yordi, Ph.D., MRA’s Director of Surveys and Business Research, indicates that a substantial body of research demonstrates a strong positive relationship between retention and employee engagement, i.e. the extent to which employees are willing to give their discretionary effort for their company.

“Companies with higher proportions of engaged employees tend to have better retention, directly impacting the bottom line,” stated Yordi. “For example, using 150 percent of the individual’s salary as the cost of replacing a terminated employee, if the average salary in a given organization is \$30,000, the average replacement cost is \$45,000. If that organization could engage and retain just five more employees annually, the savings of \$225,000 would drop straight to the bottom line.”

The highest rate of turnover was found in the production/maintenance sector. In 2005, the average annual turnover rate for this sector was 20 percent, compared with 23 percent in 2004. When the data was examined by longevity, the highest average turnover - 44 percent - occurred among employees with less than one year on the job.

*Turnover by Years of Service: Turnover continues to climb among the newest hires and was the only place where turnover increased in the 2005 to 2006 surveys.*

Years of Service	Average Annual Turnover for all Wisconsin Companies		
	2006 Survey*	2005 Survey*	Difference
Less than one year	44.78%	39.23%	5.55
1 to 2 years	26.27%	26.93%	-0.66
3 to 4 years	9.44%	13.32%	-3.88
5 or more years	19.51%	20.53%	-1.02

*\* 2006 survey reports 2005 data; 2005 survey reports 2004 data.*

“As the talent pool continues to shrink and replacement becomes more difficult, it is critical for companies to understand and to examine the types of positions that are turning over and why,” said Vicki Vought, Vice President, Human Resources Information & Solutions for MRA. “There can be many reasons employees leave – fit, money, flexibility, growth, etc. The key is understanding those root causes and responding to the areas that make sense for your organization. Tools such as employee engagement surveys and exit interviews can provide valuable information to assess each company’s unique culture and reasons employees stay or leave. Designing effective on-boarding programs, performance management and total rewards systems can be very powerful tools in helping to address some of the root causes of turnover.”

Founded in 1901, MRA is a not-for-profit employers’ organization serving 2300 employers throughout Wisconsin, Illinois, and Iowa, covering close to a half million employees. An expert in the optimization of human resources, MRA applies its talent, tools and training to help organizations achieve their business objectives. For more information on MRA visit [www.mranet.org](http://www.mranet.org) or call 800.488.4845.

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