Employee Turnover

Supply and demand continue to challenge organizations in the race to attract and retain talent. Companies need to take advantage of a strong economy and get ahead of the competition with creative talent strategies for top talent. Unemployment remains historically low, workforce participation is virtually stagnant, and MRA’s Employee Turnover Survey shows more workers are voluntarily leaving their organizations.

MRA – The Management Association conducted a brief survey, as a complement to MRA’s biennial comprehensive member survey, to help you understand how rising turnover rates in the Midwest may impact your organization.

Turnover Rates (Jan. 1 - Dec. 31, 2019)

**Turnover Rate by Employee Group**

- **Executive**: 8.9%
- **Managerial & Professional**: 16.5%
- **Office & Technical**: 18.3%
- **Production & Maintenance**: 31.4%

**Turnover Rate by Location**

- **Overall**: 24.3%
- **Minnesota**: 21.4%
- **Wisconsin**: 24.7%

*Note: Additional data cuts by state were reported when enough organizations provided data.

Turnover Rates Over the Past 5 Years

Earlier in 2019, MRA’s Turnover Survey reported an overall employee turnover rate of 22.0% compared to this year-end overall turnover rate of 24.3%. This shows a trend of rising turnover among all employee groups. Looking at trends over the past five years, the largest rise in turnover was among Production & Maintenance employees.

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<table>
<thead>
<tr>
<th>Year</th>
<th>Executive</th>
<th>Managerial &amp; Professional</th>
<th>Office &amp; Technical</th>
<th>Production &amp; Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>15.6%</td>
<td>21.9%</td>
<td>18.2%</td>
<td>19.2%</td>
</tr>
<tr>
<td>2016</td>
<td>18.2%</td>
<td>24.8%</td>
<td>18.2%</td>
<td>24.8%</td>
</tr>
<tr>
<td>2017</td>
<td>18.2%</td>
<td>26.1%</td>
<td>19.2%</td>
<td>28.0%</td>
</tr>
<tr>
<td>2018</td>
<td>19.2%</td>
<td>28.0%</td>
<td>18.3%</td>
<td>31.4%</td>
</tr>
<tr>
<td>2019</td>
<td>18.3%</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
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*Note: Executive employee group was introduced in 2018.*
Employee Turnover (continued)

Turnover Rates for High Performers/High Potentials
Losing high performer/high potential employees can be even more costly for employers. Consistent with previous years, Executives had the highest amount of high performers/high potentials separating, followed by Managerial & Professional.

Percentages in this survey were obtained by: total # of high performing employee separations / total # of separations X 100

Percent of Turnover Rates for High Performers/High Potentials

- **Executive**: 46.6%
- **Managerial & Professional**: 37.5%
- **Office & Technical**: 33.1%
- **Production & Maintenance**: 21.9%

Attrition Forecast & Employees Expected to Be Replaced

Organizations That Forecast for Attrition
Attrition in business happens when gradual, but deliberate reduction in staff occurs as employees retire or resign and are not replaced.

Of participating organizations 36% predict they will experience attrition, leaving 64% who do not plan for future attrition.

Employees Expected to Leave in the Next Year

- **Executive**: 7.4%
- **Managerial & Professional**: 12.1%
- **Office & Technical**: 13.9%
- **Production & Maintenance**: 22.6%
Employee Turnover (continued)

Reasons for Separation & Plans to Offset Shortages

Top 5 Reasons for Separation From Organizations

- 65% Due to performance
- 61% Another employer with similar job
- 60% Higher salary/better benefits
- 56% Personal issues (family, health, etc.)
- 52% Due to attendance

Top 5 Plans to Offset Shortage

Many organizations are looking to improve within as a way to offset shortage.

- 66% Conduct new hire, stay, and/or exit interviews
- 57% Process improvement
- 54% Review and/or improve workplace culture
- 41% Invest in learning and development/career transformation
- 35% Overtime hours

Conclusion

Since 2015, employee turnover has been steadily rising. Although performance-based separations continue to be the leading cause of separations, employees leaving organizations for another similar job has become a major cause of separations. With a tight employment market, many organizations are looking to improve their culture, processes, and employee investment through career development and stay interviews as foundations to keeping employees satisfied.

We hope this data will assist you in your plan to attract and retain top talent for your organization in 2020!

Methodology

- Brief 7 Question Survey
- 211 MRA Participating Organizations
- Dec. 2019 Data Collected

Stay tuned for MRA’s comprehensive 2021 Turnover Survey launching in December, 2020!
Our Currently Published Surveys

Compensation Surveys
- Benchmark Compensation*
- Industrial & Production Trades*
- National Executive Compensation
- National IT & Engineering Compensation*
- National Sales Compensation
- National Wage & Salary

Policy & Benefit Surveys
- Health & Insurance Benefits
- Holiday Practices
- National Policies & Benefits

Business Trend Surveys
- Compensation Trends
- National Business Trends
- Turnover

Industry Surveys
- Healthcare Compensation Survey*
- Logistics & Construction Compensation
- Nonprofit Compensation & Benefits*

Hot Topic Surveys
- Advancement of Women in the Workplace Survey
- Compensation Besides Base Pay Survey
- Compensation and Talent Insights for 2020 and Beyond
- Diversity and Inclusion—Best Steps Forward
- Don’t Underrate the Power of Soft Skills
- Employee Turnover Survey
- Hiring Interns Survey
- Variable Pay: Your Advantage in a Competitive Labor Market
- Opioid Epidemic Survey
- Sexual Harassment in the Workplace Executive Summary
- Wellness and Wearable Technology Survey
- Your Competitive Edge in Attracting, Retaining, and Rewarding Top Talent

* MRAPay and On-Demand Salary Tool available for these surveys

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- Data analytics at your fingertips via MRA’s online survey tools—MRAPay and On-Demand Salary Tool
- HRCI credit for recertification or SHRM Professional Development Credit (PDC) for qualifying surveys

Turn to MRA to build your powerful data analytics!

Questions?
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www.mranet.org/surveys