

PRESS RELEASE

VOLUNTARY EMPLOYEE TURNOVER PRIMARILY AS A RESULT OF LACK OF TRUST IN SENIOR LEADERS

Calgary, May 20, 2009: A recent nation-wide survey developed by www.keepingthepeople.com (Copyright 2004) and conducted by David Aplin Recruiting revealed the motivations behind voluntary employee turnover. Over 1600 respondents were asked to recall a former employer whom they chose to leave of their own accord and then answer some questions as honestly as possible. When asked to indicate up to but no more than 5 factors that first caused them to start thinking seriously about leaving their organization, the top 5 answers were:

1. Lack of trust in senior leaders
2. Insufficient Pay
3. Unhealthy/undesirable culture
4. Lack of honesty/integrity/ethics
5. Lack of opportunity for training and development

When managers of people and Human Resources professionals were asked to fill out a similar survey, the factors they considered to be the greatest contributors to voluntary employee turnover in their organizations were:

1. Insufficient pay
2. Unexpected job/career opportunity
3. Decision to change careers
4. Lack of work-life balance
5. Lack of opportunity for training and development

There appears to be a serious disconnect between employers and employees. With 44% of managers and HR professionals indicating that voluntary turnover is a problem for their organizations, ranging from a problem for retaining their most valued employees to an out of control problem with extremely adverse impact on business objectives, it's time that organizational leaders recognize the real causes for voluntary employee turnover. According to Leigh Branham, author of *The 7 hidden reasons employees leave*: "The important question that remains unasked in so many exit interviews is not "Why are you *leaving*?" but "Why are you not *staying*?"

53% of employees indicated that the thought of leaving their employer caused them, at least to a small extent, to give less effort in their job. "The survey results back the fact that employee turnover affects your bottom line," said Jeff Aplin, Executive Vice President of David Aplin Recruiting. "What's more is the cost of replacing an employee, including recruiting, orienting, and training, is estimated to be between 75% and 200% of the employee's annual compensation." These costs are avoidable: 69% of the respondents indicated that they voiced their concern to their manager or Human Resources/Employee Retention staff before deciding to leave their employer. 21% indicated that they would have changed their mind and stayed if their employer had agreed to try to change the situation and another 38% would have stayed if the situation successfully changed.

51% of respondents revealed that they were motivated more by their dissatisfaction or desire to leave than by the attraction or availability of an outside opportunity. The same percentage of managers and HR professionals indicated that their departing employees were motivated more by the attraction of an outside opportunity than by their dissatisfaction or desire to leave. "What

managers fail to perceive is that “push factors,” mostly within their own power, are the initial stimuli – the first causes – that open the door to the “pull” of outside opportunities.”¹

As a final point, Managers should take note of the 3 things necessary for building trust and confidence among employees:¹

- Inspire confidence in a clear vision, a workable plan, and the competence to achieve it.
- Back up words with actions.
- Demonstrate trust and confidence in your workforce.

Founded in 1975, David Aplin Recruiting is a Canadian-owned national full-service search firm with offices in Vancouver, Calgary, Edmonton, Winnipeg, Mississauga, Ottawa and Halifax, plus affiliates in Montréal and the U.S. David Aplin Recruiting was a winner of Canada's 50 Best Managed Companies program for 2007 and requalified in 2008 to maintain their status as a Best Managed company. Canada's 50 Best Managed Companies program is sponsored by Deloitte, CIBC Commercial Banking, National Post and Queen's School of Business.

Decision to Leave Survey Results:

<http://www.aplin.com/marketing/survey/VoluntaryTurnover/EmployeeResults.pdf>

Manager/HR Survey on Motivations for Employee Turnover Results:

<http://www.aplin.com/marketing/survey/VoluntaryTurnover/ManagerResults.pdf>

Website: www.aplin.com

If you would like more information about the topic, or to schedule an interview with Jeff Aplin, Executive Vice President of David Aplin Recruiting, please call 403.261.9000 ext.301 or email japlin@aplin.com.

¹ Branham, Leigh (2005). *The 7 hidden reasons employees leave: how to recognize the subtle signs and act before it's too late*. New York: AMACOM. ISBN 0-8144-0851-6.