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The Surprising Truth About Employee Turnover

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Employee turnover is a major issue, especially at small to mid-sized companies where the cost of losing employees is a lot to bear. Retaining employees means ensuring their success within your organization, however they define their success.

"Typically if I'm talking to someone, they feel like they've plateaued," [Mavenlink](#) VP of Talent Acquisition Karen Morris said. "They're not learning or growing. When I reach out, they're happy to talk with me. Happy people don't do that. Happy people say, 'I'm happy where I am, thank you very much.'"

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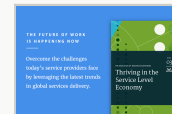
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Why do most people want to leave their jobs? You might be surprised that employee turnover isn't directly tied to money. In fact, people leave companies for almost every other reason before money.

Employee turnover starts when you hire

In my experience, there are six core reasons people leave companies: they were sold the wrong role, they weren't given a success plan, they didn't have good manager communication, they didn't get recognition, they didn't have a growth plan, or they weren't invested in.

"It's human nature to seek

Set the right

recognition." — HR Director

Emily Charlton

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expectations

It's important to set proper [expectations for the role](#) someone applies for. Say what they'll have ownership over. If there are politics that prior people in this role had to overcome, mention those. Offer transparency in the role's core challenges. Give the good, bad, and ugly. Without this, you may get the wrong person in the role. If someone wouldn't have taken the role if they knew the truth, chances are they won't stay there long. On the other hand, if someone comes into the role with the right frame of mind to conquer

specific challenges, he or she may thrive. This is the first trust transaction between you and the candidate that sets him or her on the path to success.

The second part of setting the right expectations involves company culture. I don't mean "fun" when I say culture. Anyone who gets into a fun company won't say, "Oh no!" and run away. What I mean is that for small and growing companies, it's important to find someone with more than the right skills. Someone coming from a big company might not have experience in a fast-paced environment. They may not be comfortable with building their own processes and adapting to fast changes. If someone has big-company experience, ask for examples of the qualities you're looking for in your culture. They might turn out to be a great fit. Oracle is a massive company, and yet internally it still functions like a startup, so a candidate from this environment may do great. Just ask.

Set them up for success

I follow a "T-minus 10" approach to my new hires. Before they even start, I want them to receive an email from me welcoming them. I want their paperwork completed before they walk in the door. I want IT and office management to have them set up on day one. I also want their hiring manager to have a plan of action for day one, week one, week two, and so forth. The new hire should have milestones set for the first 30, 60, and 90 days. That way they can measure success and achievement by hitting goals at critical points. This avoids an ad hoc onboarding approach. Employees who know what is expected of

them are less likely to feel confused. Confused employees are more likely to seek employment elsewhere.

Communicate

In a growing company, there's tons of stuff coming at you from all over the place. The only way to stay on top of communication is to make it a priority. Put it on the calendar and make it happen.

One-on-ones should be at least monthly. Any less frequently than that, and they become less valuable. Be sure you actually meet, and if you have to reschedule, do so, rather than waving it off and saying, "Next week." As a manager, these one-on-ones let you gauge not only employee performance, but also see what's going on in your employees' lives.

Recognize their work

In exit interviews, recognition comes to the top of mind for people leaving their job. It's human nature to seek recognition. It's your job to keep employees happy by recognizing their team and individual achievements.

Rewarding achievement doesn't have to mean offering a bonus. At Mavenlink, we recognize people's work at monthly town hall meetings, in front of every employee. Other recognition could be a plaque or certificate. It could be happy hour for just your team. This could be an off-site lunch meeting because you met your goals. Make the recognition valuable to the people being recognized. People think the biggest reason for employee turnover is money. In fact, it's usually one of the last motivators, even in sales.

Have a path for career growth

Not everyone has the skills or desire to manage people. Give your employees other opportunities to grow in their role. I've seen companies make the mistake of moving people up who have been with the organization from the beginning, into leadership roles. Did you provide leadership training or skills? A new leader needs training and mentorship to succeed. Some people may lack the innate personality to be a leader. Your top salespeople? They are usually not good people managers. They are salespeople. It might be your middle performers who have the personality and patience needed to succeed in a leadership role.

Invest in professional development

The simplest way to create professional development opportunities is to set up a mentorship program

within your company. This should be part of your plan for your new hire's success. Set up a buddy system with someone other than a manager. This takes the heavy-lifting off the manager and lets veteran employees give back, through knowledge transfer to their growing team. You can also invest in professional certifications for your employees that will add value to your organization as well as further their career growth.

Key takeaways

The simplest way to reduce employee turnover has little to do with compensation. It has everything to do with asking your employees, "What is your main motivator in your work." You might be surprised in what you hear. By far, the six reasons, in this order are these:

- Recognition

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- Challenging work
- Management style
- Benefits
- Work-life balance
- Compensation

And the one of those that never comes up in my exit interviews? Compensation.

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- [How Company Culture Impacts Your Team and How to Keep it Positive](#)
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