

A woman with dark hair in a red safety vest is operating a forklift in a warehouse. She is looking towards the camera with a slight smile. The background is a blurred industrial setting with shelves and equipment.

the top 10 reasons for  
employee turnover

and what to  
do about it.



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human forward.

# introduction.

Employee turnover is a measurement of how many people leave your company in a set period — a month or a year, for example. Most of the time, businesses express this figure as a percentage.

A certain amount of employee turnover is inevitable. Some workers retire while others move away. Others move onward and upward within your company. On the more dramatic end of the scale, steep recessions and global health events cause mass redundancies, which are hard to avoid.

Because of all the variables, there is no magic employer turnover rate that everyone can aspire to. Instead, you should regularly track staff turnovers within your organization and among divisions. If you notice alarming increases or find out you have a high employee turnover rate compared to other businesses with similar characteristics, it's time to act. The [cost of employee turnover](#) can be much higher than you think.

To reduce employee turnover, you first have to understand why it occurs. Here are the top reasons for employee turnover, along with actionable tips to help you boost your retention rate.



# 1. toxic environment.

Healthy environments promote growth; toxic environments hamper progress and create unhappiness. Unhealthy working environments don't always start with employees; sometimes, they reflect the company culture.

CNBC lists reasons employees felt their [work environment was toxic](#) based on reviews from Glassdoor during 2021. Some complaints included failure to promote diversity, equity and inclusion; disrespect; unethical behavior; and verbal abuse. Regardless of the reason, toxicity causes employee turnover.

According to the 2022 Society for Human Resource Management [Global Culture Research](#) Report, almost two-thirds of workers who disliked their company culture were actively looking for new positions.

## actionable strategies

Toxic environments require holistic solutions — and repair starts from the top. If you suspect you have a toxic culture on your hands, expect resistance from at least some of the people in your organization. Some individuals may be perfectly happy with the status quo, for example.

Before addressing culture concerns, confirm that your company has clearly set guidelines and policies in place to protect individuals. Then make sure management understands this is a [priority with leadership](#).

Culture problems may be hard to dissect from within. A [third-party mediator](#) or an external consultant can help you pinpoint problematic processes and people. You can use the information you gain from working with an outside partner to change your company culture for the better.



# 2. burnout.

Burnout is another leading cause of employee turnover. [McKinsey's Mental Health and Wellbeing Survey 2022](#) states that globally, one-quarter to one-third of workers report burnout symptoms. Egypt, India and Japan had some of the highest rates, while Switzerland, Mexico and Argentina had the lowest.

Feelings of burnout can result from unfairness, excessive workload and inadequate rewards. But, in most cases, the employees cite a loss of control over their workday and tasks. And unfortunately, the lack of workers puts even more stress on the ones who remain.

## actionable strategies

You can use [Frederick Herzberg's motivation-hygiene theory](#) to help prevent burnout. According to Herzberg's theory, people need motivational and hygiene factors to stay fresh in the workplace. Motivational factors include recognition, challenging tasks and a sense of meaning. Hygiene factors include basics like breakroom supplies, a comfortable chair, an adequate salary or good supervision.

Talk to your team members to find out if they're clear about their roles within your organization. Try to determine if their basic needs are met and if they feel they have the necessary skill and support to complete tasks.

# 3. loss of meaning.

Most people search for meaning in life — at home and at work. If their jobs feel purposeless, they begin to feel adrift and move on. [Randstad's Workmonitor 2023](#) observes that Gen Z and Millennials, in particular, think that happiness and mental health are more important than being employed. Plus, among all generations surveyed, 33% said they wouldn't stay at a company where they were unhappy.

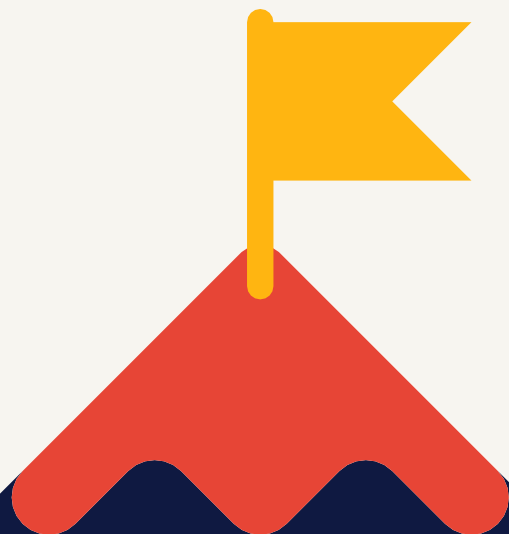
Globally, statistics varied among regions, with Japanese employees more willing to stay at an unenjoyable job. That's an interesting fact since it's noted above that Japan had one of the highest reported rates of burnout.

## actionable strategies

Nearly all successful companies have a strategy — the key is to be transparent about the overarching mission. Employees who understand their employers' end goals become participants in a shared vision and remain invested.

For example, corporate sustainability goals, such as the recent announcement by [Patagonia's founder, Yvon Chouinard](#), to give all equity to fund environmental conservation, makes it easy for employees to feel they support a cause and are making a difference.

Management participation is an integral part of this strategy. Employees need to know if and how corporate goals are being met and how they personally have contributed to the end result. So, you need more than just newsletters — personal connection is a must.



# 4. lack of flexibility.

The pandemic brought with it a need for remote work and flexible schedules, and if employees have their say, those privileges are here to stay. As a result, remote work has become a perk frequently offered to entice workers, but it isn't available to everyone. According to Randstad Workmonitor 2022 data, only **20% of grey-collar workers** and 23% of blue-collar workers receive this option. Among white-collar employees, it's slightly more common at 35%.

While some still prefer a traditional nine-to-five work day, many (42%) are willing to pass on a job offer if they can't control their schedule. Among global workforces, those in Turkey (94%), China (88%) and the United States (86%) felt flexible hours were a major job consideration factor.

## actionable strategies

While the pandemic showed business leaders that it was possible to get things done with flexible hours and remote work, it was a temporary solution in most cases. Today's employers must find ways to make these strategies workable over the long term.

First, begin by collecting data on productivity, comparing in-office with at-home employees. Then discuss ways to incorporate **hybrid work models**. For example, regular in-office days can help keep everyone connected while remote work days can provide more freedom in workers' schedules. Finally, continually fine-tune policies to ensure your business is ready to adapt to new challenges that arise.

## 5. bad boss.

Managers who devalue, ignore or micromanage their employees vastly increase their companies' turnover rates. [McKinsey's 2022 Great Attrition, Great Attraction Survey](#) found that 'uncaring and uninspiring leaders' was the third top reason for quitting jobs. Managers are meant to be the first point of contact for the employees they supervise: when they're the problem, workers don't know where to turn.

### actionable strategies

Bad bosses must be held accountable — and the responsibility for that falls in the lap of the manager's superior. Make ongoing engagement interviews part of your company culture and encourage your employees to speak up about issues. Conduct exit interviews to pinpoint abusive supervisors and take firm action to prevent further organizational damage. From a financial perspective, managers who drive employee turnover cost businesses far more than they're worth.

Investing in a learning and development course designed specifically for managers is a proactive step. According to [findcourses' 2022 Learning & Development Report](#), 'management and leadership training is a top priority for L&D Departments in both the US and UK.' Effective leadership has become more critical than ever with the addition of flexible hours, off-site work and an acute lack of talent.

## 6. little recognition.

People who work hard but don't receive recognition for their efforts quickly become disillusioned. Over time, lack of recognition contributes to a loss of morale, and eventually, individuals seek more fulfilling employment opportunities elsewhere. Gallup's 2022 Report on [Transforming Workplaces Through Recognition](#) discussed the lack of regular approval by managers.

Over one-third of employees surveyed felt they received recognition rarely to occasionally, and three-fourths didn't strongly feel that their organization was fair in distributing credit.

### actionable strategies

Recognition is one of the easiest-to-solve reasons for staff turnover. First, give workers credit on the spot for a job well done. Then, implement a fair, thoughtful employee recognition program. Set goals and distribute rewards — gift vouchers, special projects, personal recognition and other incentives — to make staff feel valued. Provide tangible proof that your employees matter.

Gallup's report demonstrated the reward for companies with a workable recognition plan, with employees four times as likely to feel engaged and 56% less likely to be job searching.

## 7. micromanagement.

Micromanagement implies, 'You can't do anything correctly by yourself.' That isn't a confidence-building tactic to use when supervising employees — even if they're new. Moreover, micromanagement doesn't just cause frustration: it also erodes self-esteem and precipitates staff turnover.

### actionable strategies

When supervisors micromanage employees, they display a lack of confidence in them and stifle innovation. Stay away from micromanagement; let workers have a little freedom and trust them to perform well. Then praise them for good work to reinforce morale.

Surprisingly, [remote workers can feel just as micromanaged](#) as those in the office. Don't lose trust in your employees just because you don't see them every day.





## 8. better offer.

Some people are highly loyal to their employers. Most others are open to suggestions. Better offers — more money, more responsibility or a more interesting position — entice them from one role to the next. When businesses don't keep up with [industry salary](#) or perk-related benchmarks, their employees are more likely to accept higher-value job offers.

### actionable strategies

Preemptive action can help prevent headhunting. Don't wait until you lose a high-performing employee to make changes. Instead, keep up with industry pay and conditions standards and make sure you match or exceed them at all times — and provide your people with the training and guidance they need to progress within your organization.

Don't assume your employee is aware of all the perks in their [benefits package](#), especially if they've been around for a long time. They may be focused on an offer with a higher salary and not realize they could lose out on time-off benefits, bonuses and the possibility of upskilling their way to a higher-paying position.

## 9. retirement.

When long-time inspirational employees retire, organizations change. Retirement is an inevitable driver of employee turnover, and you can't do much to prevent it from happening. People eventually stop working, although the retirement age can vary greatly depending on the job and person.



### actionable strategies

Long-serving employees amass a wealth of experience and a range of skills. Make them mentors within your organization and encourage them to help younger workers gradually take over their roles. This respectful approach can boost morale for soon-to-be-retired individuals and up-and-coming stars in the workplace who inherit their mentors' expertise.

After they retire, make former star employees board members, or ask them if they'll provide part-time consulting or training services for a fee. Flexible work hours and remote work opportunities may help you keep some old-timers past their expected retirement date or even attract some to return.

## 10. minimal training.

Training and engagement are closely entwined — and engaged employees boost productivity. Conversely, workers who don't get opportunities to learn feel disconnected and trapped and are more likely to leave. Randstad Workmonitor's 2022 research shows that workers want to learn and improve their skills. Overwhelmingly [88% would appreciate additional skilling](#) if offered, with an emphasis on programs to strengthen them in their current jobs.

### actionable strategies

Promotion-centric on-the-job training is a vital part of any employee retention strategy. Workers who receive training feel more confident and empowered in their roles and know what to do to get promoted. According to the [SHRM](#), employees are 69% more likely to remain with their employers for three or more years when training begins at the onboarding phase.

## reduce employee turnover with randstad

If you'd like to learn more about employee turnover or need help crafting a retention strategy, reach out to us here at Randstad. As an industry leader with more than 60 years of experience in the global recruitment marketplace, we can help you with staffing, training and productivity at every level.

[Contact us](#)