The Real Cost of Turnover

We all know **employee turnover is expensive**, but a closer look reveals a scary monster that robs our organizations of profits in silent and self-perpetuating ways.

YOUR STAFFING PARTNER

Using a staffing partner that offers exceptionally inexpensive markups can be a false bargain.

If you are not hiring a large percentage of those employees into your organization you are paying a permanent and **unnecessary surcharge** on your payroll.

A somewhat larger markup for a short period is **far less expensive** than a permanent surcharge and revolving door.

When you hire your contingent employees you get inexpensive, **permanent employees who contribute** to your company’s success over the long haul.

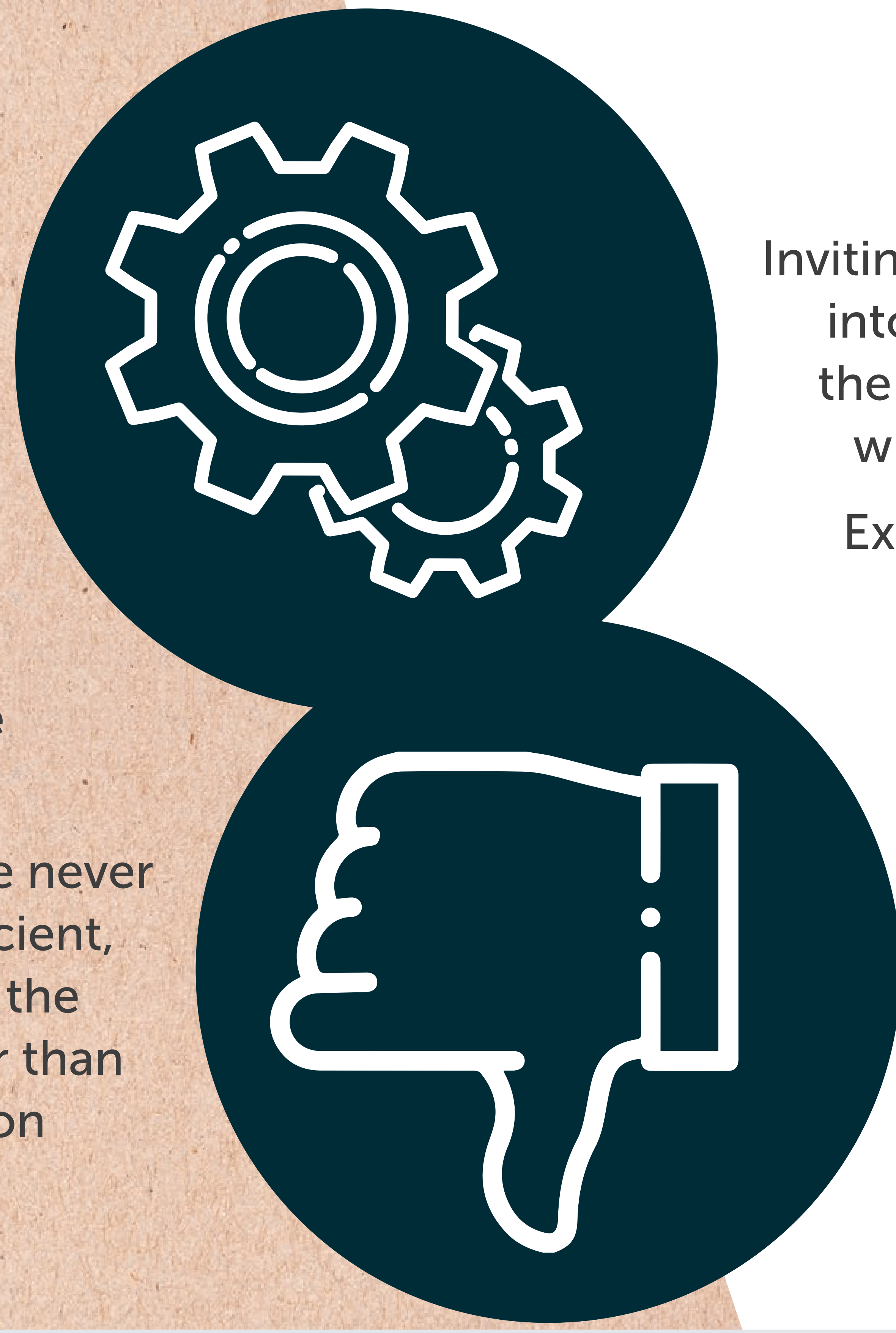
PRODUCTIVITY

Our ability to efficiently complete repetitive tasks improves as we practice.

Whether it's shooting a free throw or taking customer service calls, we get better as we go along. There's a knack to it.

In most cases, **new employees are not immediately a profitable investment**.

Rapid turnover means new people never hit their stride, never become efficient, and never make a contribution to the organization's bottom line. Rather than a resource, that headcount position remains a constant cost.



PREDATORY BEHAVIOR

Inviting **unstable employees** into your facility increases the odds you'll be tangling with predatory practices.

Excessive unemployment compensation costs, fraudulent worker compensation claims, and spurious unfair employment practice claims can be unsavory bedfellows associated with **employees who tend to turn quickly**.

TEAM LEADS

The **relationship between line workers and team leads** is crucial to healthy workplace culture and highly productive outcomes.

Team leads who are constantly bogged down with turnover can never build the trust and confidence necessary to develop efficient and stable production capacity.

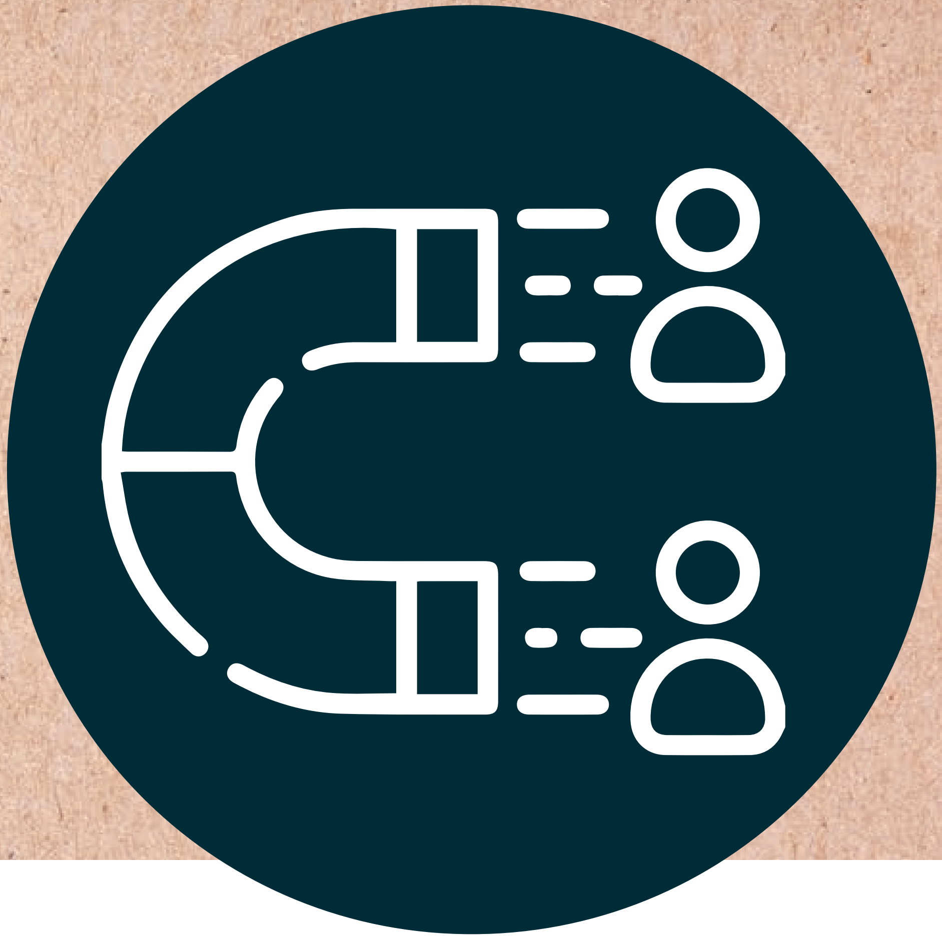
The old saying, “You don’t quit your job, you quit your supervisor” contains a great deal of wisdom.

Extreme turnover creates an unpleasant work environment for your leadership and demotivates them, driving away those exceptionally important cogs in your organizational machine.

SENIOR EMPLOYEES

Your more tenured employees begin to see the new people as **another turnover** waiting to happen. Another short-timer who is more trouble than he's worth.

A **destructive culture develops**. Instead of nurturing and welcoming new talent, the tenured workers drive them away amid turf wars and petty games.

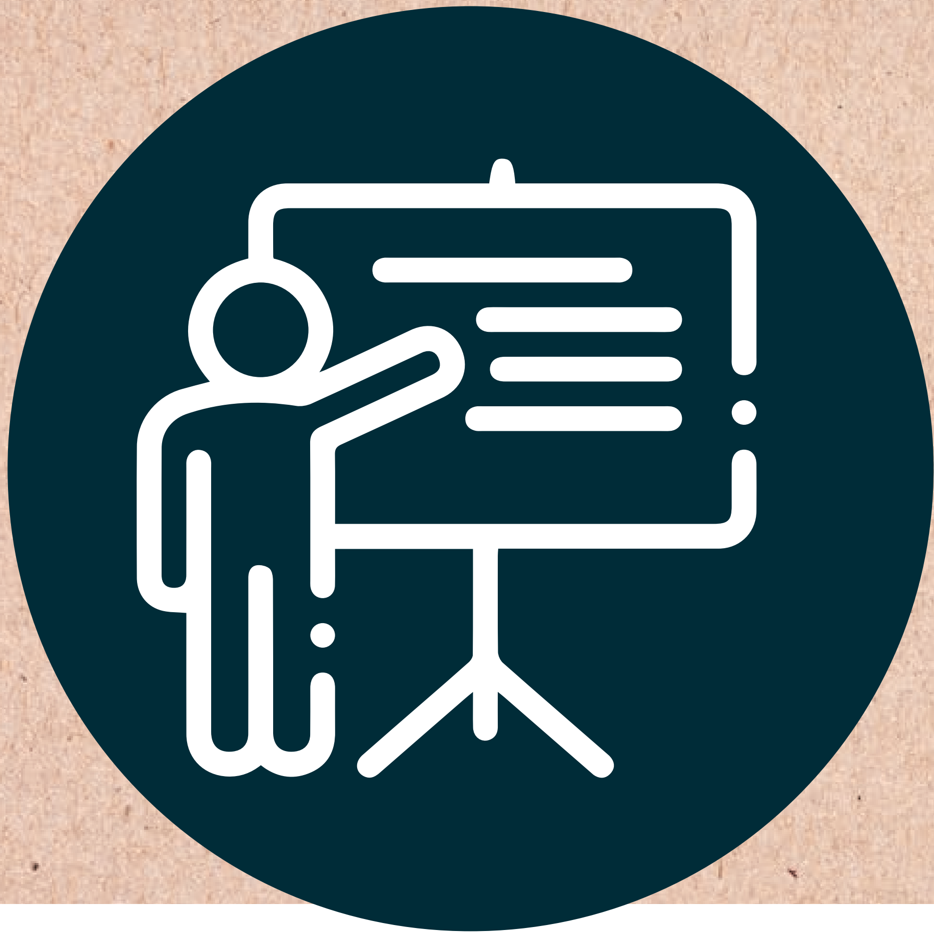


GREAT TALENT

The **rising stars in your new employee groups** see these dynamics and quickly conclude your organization is not a fit.

The negative cultural vibe feeds on itself, making it difficult to fix.

It becomes a self-perpetuating problem that **inhibits the ability of senior leadership** to hit goals and grow the organization.



TRAINING

Supporting an **ongoing and effective training program** is not easy, and high turnover makes it pretty much impossible.

Training resources are constantly stressed, headcount pressures work against well-conceived and executed training practices, and training costs are on a hamster wheel with no offramp.

GROWTH

It's hard enough to **meet production goals** while fighting excessive turnover, but what about next quarter and next year?

How can you grow your organization with turnover creating a constant downdraft in so many ways?

Either your **growth goals or your turnover** will have to be adjusted at some point. Both cannot continue.

Employees are more likely to see jobs as short term opportunities these days.

Nobody can make turnover go away. But it can be managed, and the destructive edges associated with turnover can be mitigated.

It **starts with a staffing partner who is committed** to the principles that enhance stability and profitable operation.

Turnover is more than expensive. It’s a devastating cycle of adversarial factors.

Solutions require a perspective that goes beyond finding the cheapest possible way to get another person in the facility by tomorrow morning.

Getting off the hamster wheel enhances productivity, reduces expenses, and creates profit.

A capable staffing partner adds to your profit, not your expenses.

See the TalentTeam whitepaper “**How Can a Staffing Partnership Make Me More Profitable?**” for a roadmap to modern, effective and affordable solutions through a well-designed staffing strategy.

For more information about how to make your staffing partnership more effective, efficient, and profitable, give us a call or shoot us an email.

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