

MEDIA RELEASE

Employers becoming resigned to higher staff turnover, especially of millennials

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More than half (57 per cent) of employees in the millennial age group leave their employer each year, with reported turnover of more than a third (37 per cent) in the age bracket 26-35 and one in five (20 per cent) aged between 18 and 25, according to new survey findings.

The findings are reported following a 2018 survey of Australian HR Institute members (AHRI). The 2018 AHRI report is the fourth in a longitudinal series from the years 2008, 2012 and 2015.

These 2018 figures are reported in the context of a majority of survey respondents (63 per cent) stating an ideal turnover rate of between 1-10 per cent. While a 63 per cent majority prefer less than 10 per cent churn, that preference is lower than it was in its 2015 survey, when 69 per cent indicated that turnover ideal.

Conversely, a third of the 2018 sample (33 per cent) now state a turnover ideal of between 11-20 per cent, whereas in 2015 only 27 per cent indicated that preference.

The findings suggest there is a growing acceptance of higher employee churn levels than in the recent past, and that is despite a reported reduction in the turnover of employees in the 50-plus age group. In 2015 older workers turnover was around 8 per cent, compared with a 6 per cent finding in the 2018 survey.

Other findings in the survey include:

- Average turnover of 18 per cent over the past 12 months, almost identical to the 18.5 per cent 2008 turnover rate prior to the GFC
- 59 per cent of respondents view turnover as too high
- 63 per cent report lack of career progression is the main reason employees leave
- 67 per cent believe effective management and leadership is the best retention strategy
- 83 per cent use employee exit interviews to collect turnover data



Referring to the report, AHRI chief executive Lyn Goodear offered the 2018 survey as “a snapshot of the observations and insights of Australian HR practitioners who oversee the movement of labour in the Australian workforce, movements that are of significance to our economy and our social fabric.

“Following lower employee churn reported in our 2012 and 2015 surveys, history is repeating itself ten years later with the 2018 turnover rate on a par with the 2008 rate. Our 2008 survey was conducted prior to the global financial crisis.

“It’s no surprise that the 2018 findings point to millennials having by far the highest level of turnover in excess of 50 per cent, suggesting that they are more likely to test the job market than older employees.

“The much lower churn of older workers suggests that organisations may be working to retain valuable corporate memory, and that older workers are becoming aware that as life expectancy rises, they will need to remain in the workforce longer,” says Goodear.

Contact for further information:

Paul Begley paul.begley@ahri.com.au T: 03 9918 9232 M: 0402 897 884