

# TURNOVER AND RETENTION RESEARCH REPORT

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## ACKNOWLEDGEMENTS

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## FOREWORD



The central finding coming out of this most recent survey of 501 AHRI members on turnover and retention is that average turnover is reported at around 18 per cent, roughly identical to the average in a similar survey we conducted in 2008, just prior to the global financial crisis. In between, we also conducted member surveys

on the topic in 2012 and 2015.

These 2018 findings were a mixture of reported observations by respondents as well as the expression of professional opinions. On the latter, two thirds of respondents believe around 10 per cent is the ideal level of turnover for their organisation, with the remainder showing an increasing tolerance of turnover closer to 20 per cent.

The comparative data shows that a greater proportion of the 2018 respondents now accept higher levels of turnover than in our 2015 survey, a finding which perhaps reflects the increasing disruption to business models and displacement of jobs once performed by human beings but now taken over by robotics. NAB's recent action to commence axing 6000 traditional jobs and replace them with 2000 digital roles is a case in point, and other organisations are showing signs of doing the same thing.

Despite the data on stagnating wage growth over the past few years, that factor appears not to have translated strongly into employee retention strategies. Excellent pay is only rated sixth as an effective retention method by respondents, and competitive salary is rated ninth among strategies that respondent organisations have in place to encourage retention.

At the same time, the lure of better pay elsewhere is reported as the second strongest factor in why employees

say they leave, suggesting a potential mismatch between what organisations rate and how employees behave when it comes to pay as a generator of turnover. Alternatively, it suggests that employees who are voluntarily leaving don't necessarily give the real reason why they are leaving, and saying it's for better pay is a safe option.

That said, the most commonly cited reason that employees give as a reason for leaving (cited by 63 per cent of respondents) is lack of career progression opportunities. Another strong cause of worker movement appears to be a lack of learning and development opportunities, up 15 per cent since the 2015 survey. That figure suggests there is considerable room for employers to think of those opportunities as a catalyst for creating positive employee experiences and may also be an indication that employees are conscious that learning and development is more critical at a time when traditional jobs are being replaced by jobs using emerging technologies.

When it comes to employee retention, leadership quality matters according to the respondents, 70 per cent of whom identified effective management and leadership as the most effective method for employee retention. The respondents clearly believe that providing a sense of purpose and direction from above is a critical factor in generating employee engagement and loyalty.

Also rating among the reasons why employees leave, are poor work-life balance and insufficient flexible work opportunities. Those findings may point to a business case for creating workplace environments that nurture the 'whole' employee as a way of retaining talent.

In terms of looking at ways to correct excessive turnover, the survey findings show that reasonable amounts of data are collected by way of exit interviews, climate surveys, performance appraisals, and anecdote.

A recurring theme of corporate rhetoric occurs around the vital importance of an organisation's human capital in creating unique value and strategic advantage over competitors. That is particularly the case as we face the

## FOREWORD

challenge of shaping our people for a future in which work, workplaces and workforces are undergoing rapid changes as robots, cognitive machines and artificial intelligence increasingly make inroads into our workplaces and impact on how work is conducted and who does it: humans, robotics or a combination of the two.

Given that, perhaps it is no surprise that these survey findings point to millennials as having by far the highest level of turnover in excess of 50 per cent, which perhaps acknowledges the widely reported assumption that they may more likely to test the job market because they are more open to technological and other workplace changes than older demographic groups.

That perspective is consistent with a reported further decrease to 6 per cent in the turnover of employees aged 50 and over, from an already low base of 8 per cent in 2015. Retaining a proportion of that demographic group makes sense for employers in cases where organisations decide they do not want to lose valuable corporate memory. It may also be because increasing numbers of that demographic are becoming aware that they may live for many more years as life expectancy rises, and they see themselves as sufficiently healthy to remain in satisfying employment for longer at the same organisation.

I commend this report to you as a snapshot of the observations and insights of Australian HR practitioners who are overseeing the movements of labour in the Australian workforce, movements that are of significance to our economy and our social fabric.



Lyn Goodear, FAHRI GAICD  
Chief Executive Officer  
Australian HR Institute

## KEY FINDINGS AT A GLANCE

- Based on responses to this survey, the average turnover rate for the last 12 months is 18 per cent, a figure which is similar to AHRI's 2008 turnover and retention survey conducted prior to the global financial crisis.
- Average turnover rates have increased across all organisation sizes since the 2015 survey, except for organisations with between 500 – 1000 employees. Turnover rates were reported as highest for organisations with fewer than 100 employees (22 per cent).
- A majority (63 per cent) of respondents report between 1 – 10 per cent turnover would be ideal for their organisation.
- More than half (59 per cent) of respondents view turnover in their organisation as slightly or far too high.
- The demographic groups report with the highest level of turnover are employees between 18 – 35 years old (37 per cent), and those in entry level roles (20 per cent). The 50+ age group turnover rate is the lowest (6 per cent).
- Nearly two thirds (63 per cent) of respondents report lack of career progression opportunities as the main reason employees leave their organisation, an increase of 15 per cent since the 2015 survey. Almost half (48 per cent) report better pay elsewhere as a main reason for employees leaving.
- The top three strategies organisations have in place to encourage employee retention are providing training and development opportunities, flexible work arrangements, and performance feedback systems. Around half of the respondents also report work-life balance initiatives and a positive workplace culture as key retention strategies.
- More than half (53 per cent) the respondents report their organisations' retention strategies are fairly or very effective. A quarter of respondents believe their organisations' retention strategies are fairly or very ineffective.
- More than a third (67 per cent) of respondents believe the most effective method to retain employees is effective management and leadership. Other methods believed to be effective include positive workplace culture and career progression opportunities.
- The majority (83 per cent) of respondents use employee exit interviews to collect data on turnover and retention trends within their organisations, with around half also utilising employee climate surveys and performance appraisals to collect data.
- A majority (63 per cent) of respondents report their organisation does not measure the financial cost of employee turnover.

## DEMOGRAPHICS

This survey was distributed to the member database of the Australian HR Institute during May and June 2018. It attracted a total of 501 respondents. Responses were treated anonymously. No questions were mandatory.

As shown in table 1, the majority of respondents live in a metropolitan area (78 per cent).

**TABLE 1: LOCATION (497 RESPONSES)**

Answer	Percent
Metropolitan area	77.67%
Regional Area	19.32%
Rural Area	2.41%
Remote Area	0.60%

Tables 2 and 3 show the majority of respondents are aged between 30 and 59 (81 per cent) and are female (72 per cent).

**TABLE 2: AGE (497 RESPONSES)**

Answer	Percent
18 – 29	10.46%
30 – 39	23.34%
40 – 49	30.38%
50 – 59	27.57%
60 – 65	5.23%
Over 65	3.02%

**TABLE 3: GENDER (498 RESPONSES)**

Answer	Percent
Male	27.11%
Female	72.09%
Prefer not to disclose	0.80%

## DEMOGRAPHICS

Table 4 shows that 49 per cent of the sample identify as an HR Advisor, HR Manager, HR Consultant or Line Manager. More than one fifth (22 per cent) identify as State, National, Global HR Director or HR Business Partner. A smaller proportion of 6 per cent identify as a member of the Senior Executive Team, CEO or Board Director.

**TABLE 4: JOB FUNCTION (498 RESPONSES)**

Answer	Percent
Student	1.81%
HR Administrator	5.82%
HR Advisor	10.84%
HR Manager	27.11%
HR Director (State focus)	2.81%
HR Director (National focus)	7.23%
HR Director (Global focus)	2.21%
HR Consultant	7.23%
HR Business Partner	9.84%
Line Manager	3.82%
Senior Executive Team	4.42%
CEO	1.41%
Board Director	0.20%
Contract/Freelance	0.80%
Consultant	4.42%
Academic	2.01%
Other	8.03%

Table 5 shows that the largest single proportion of respondents (37 per cent) have been working in HR or are responsible for the HR function from 6 to 14 years, with a quarter (25 per cent) from 15 to 24 years, and another 13 per cent for more than 25 years.

**TABLE 5: NUMBER OF YEARS EXPERIENCE WORKING IN HR (499 RESPONSES)**

Answer	Percent
0 – 5 years	21.04%
6 – 14 years	37.27%
15 – 24 years	25.45%
25+ years	13.23%
Not in a HR role	2.20%
Other	0.80%

## DEMOGRAPHICS

Table 6 shows that the largest group of respondents work in organisations with more than 1000 employees (32 per cent), 38 per cent work in organisations with between 100 – 999 employees, a quarter (25 per cent) work in organisations between 2 – 99 employees, and a small proportion are sole proprietors (5 per cent).

**TABLE 6: SIZE OF ORGANISATION (498 RESPONSES)**

Answer	Percent
Sole Proprietor	4.62%
2 – 14 employees	4.62%
15 – 49 employees	7.83%
50 – 99 employees	12.65%
100 – 249 employees	14.26%
250 – 499 employees	14.46%
500 – 999 employees	9.44%
1000+ employees	32.13%

Table 7 shows that the majority of respondents (37 per cent) work in the private sector, a quarter (25 per cent) work in the public sector, almost a quarter (21 per cent) work in the Not-for-Profit sector, and 12 per cent are in ASX listed companies.

**TABLE 7: ORGANISATIONAL SECTOR (498 RESPONSES)**

Answer	Percent
Not-for-profit	21.49%
Public Sector	25.70%
ASX Listed	12.45%
Private Sector	37.15%
Other	3.21%



## DEMOGRAPHICS

Table 8 shows a wide spread of industry sectors among respondents, with the largest groups being 13 per cent from health care and social assistance, 12 per cent from professional, scientific and technical services, and a further 12 per cent from education and training.

**TABLE 8: INDUSTRY SECTOR (498 RESPONSES)**

Answer	Percent
Agriculture, Forestry and Fishing	2.01%
Mining	2.21%
Manufacturing	5.42%
Electricity, Gas, Water and Waste Services	2.21%
Construction	2.41%
Wholesale Trade	1.20%
Retail Trade	4.02%
Accommodation and Food Services	1.20%
Transport, Postal and Warehousing	4.22%
Information Media and Telecommunications	1.81%
Financial and Insurance Services	8.43%
Rental, Hiring and Real Estate Services	0.60%
Professional, Scientific and Technical Services	12.45%
Administration and Support Services	1.81%
Public Administration and Safety	9.24%
Education and Training	12.05%
Health Care and Social Assistance	13.05%
Arts and Recreation Services	1.41%
Other Services	14.26%

## DETAILED FINDINGS

### TURNOVER TRENDS

Table 9 indicates that the average turnover reported by respondents has increased by 2 per cent compared with the 2015 AHRI survey results, and a 5 per cent increase since 2012. The 2018 average is similar to the average reported in the 2008 survey conducted prior to the global financial crisis.

**TABLE 9: WHAT PERCENTAGE OF EMPLOYEE TURNOVER HAS YOUR ORGANISATION EXPERIENCED IN THE LAST 12 MONTHS?**  
(344 RESPONSES)

2008 AVERAGE TURNOVER	2012 AVERAGE TURNOVER	2015 AVERAGE TURNOVER	2018 AVERAGE TURNOVER
18.5%	13%	16%	18%

As indicated in table 10, organisations with between 1-99 employees reported the highest average (22 per cent) turnover figure, an increase of 7 per cent since 2015, and 11 per cent since 2012. Organisations with between 100 – 249 employees reported an average turnover rate of 18 per cent, an increase of 3 per cent when compared to 2015 survey results, but still remains lower than the average reported in 2008. With the exception of organisations with between 250 – 499 employees, 2018 average turnover results are at similar levels to those reported in 2008.

**TABLE 10: AVERAGE TURNOVER PERCENTAGE DURING THE LAST 12 MONTHS ACCORDING TO ORGANISATIONAL SIZE**  
(344 RESPONSES)

EMPLOYEES	2008	2012	2015	2018
1 – 99	17.6%	11%	14.7%	22.2%
100 – 249	19.30%	14%	15.2%	18.1%
250 – 499	20.40%	17%	16.8%	16.1%
500 – 999	19.30%	14%	19%	20.2%
1000+	17.40%	10%	15.7%	17.8%

# DETAILED FINDINGS

## TURNOVER TRENDS

Table 11 indicates that 2018 perceptions towards the ideal level of turnover have changed since 2015. Almost two thirds (63 per cent) of the 2018 sample thought between 1 – 10 per cent as the ideal turnover level for their organisation, a reduction of 6 per cent from 2015. Approximately one third of respondents in 2018 (33 per cent) and 2015 (27 per cent) believed that between 11 – 20 per cent turnover would be ideal in their organisation.

**TABLE 11: IDEAL LEVEL OF TURNOVER IN YOUR ORGANISATION (352 RESPONSES)**

IDEAL LEVEL OF TURNOVER	2015	2018
1 – 10%	68.7%	62.8%
11 – 20 %	27.0%	32.9%
21 – 30 %	2.5%	3.1%
31 – 40 %	0.8%	1.2%
41 % or greater	1.0%	0%

Respondents were invited to share how they decided on an ideal turnover figure for their organisation. Sample comments follow from the 338 participants who provided insights:

“Too high creates too much cost for us. Insufficient turnover though seems to lead to stagnation and reduced opportunities for high performers”

“The organisation is changing rapidly and we are requiring different skills and experience to support the culture we are wanting to develop.”

“The turnover the organisation can cope with while still maintaining a good level and quality of productivity”

“Combination of performance results (individual), cost of replacement (cost) and need to replenish our overall levels of technical/people competence”

**“<10% of turnover creates a healthy level of new ideas and experience into the business. Higher than 10% turnover suggests we have engagement or performance enablement issues within our teams.”**

“Based on historical data and previous benchmarking”

“Need some turnover to ensure new and innovative ideas, but also seek to develop people within. Want turnover to be based on appropriate reasons not a percentage”

“By looking at market comparisons for our sector, and the future pressures on growth vs available employees”

“The more employees we can retain the better for the overall business. Stable workforce means we can commit to more work and in return produce more revenue which can be spent on all aspects of the business”

“Employee needs and workplace needs”

**“Need some healthy turnover to bring in new ways of thinking, and new capability aligned to strategy”**

“Benchmarking against similar organisations and analysing best fit in meeting organisational objectives whilst ensuring there are opportunities to employ new staff and for existing staff to develop their careers”

“The lower the percentage the better for the organisation”

“Enough to refresh the organisation, without impacting transfer of corporate knowledge, projects and other key activities”

## DETAILED FINDINGS

### TURNOVER TRENDS

Table 12 show that the majority (59 per cent) of respondents view the turnover level in their organisation as either slightly or far too high, this is approximately a 12 per cent increase compared to 2012 and 2015 survey results. Twenty-nine per cent of respondents indicated the turnover level in their organisation was about right, which is around 10 per cent lower than the 2012 and 2015 survey responses. Twelve percent of respondents indicated turnover is slightly or far to low, similar to 2015 responses, and a 3 per cent reduction compared to 2012 responses.

**TABLE 12: WHAT IS YOUR VIEW OF THE CURRENT TURNOVER LEVEL IN YOUR ORGANISATION? (351 RESPONSES)**

RESPONSE	2012	2015	2018
Far too high	20.4%	15.9%	22.8%
Slightly too high	25.7%	31.4%	36.7%
About right	39.1%	41.2%	28.5%
Slightly too low	10.6%	8.7%	10.2%
Far too low	4.2%	2.8%	1.7%

As shown in table 13, 2015 and 2018 survey responses indicate the highest level of turnover occurs within the 26 – 35 year old age range. The second highest level of turnover indicated is within the 18 – 25 year old age range (20 per cent), a shift from the 2015 survey results where the second largest level of turnover was indicated between the 36 – 49 year old age range (18 per cent).

**TABLE 13: WHICH AGE DEMOGRAPHIC HAS THE HIGHEST LEVEL OF TURNOVER? (343 RESPONSES)**

AGE	2015	2018
18 – 25	14.4%	19.8%
26 – 35	38.4%	37.0%
36 – 49	18.5%	15.7%
50+	7.7%	6.1%
No discernible difference	21.0%	14.0%
Unsure	-	7.3%

## DETAILED FINDINGS

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### TURNOVER TRENDS

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Table 14 shows a similar trend in job position turnover between survey results. Responses on entry/junior/graduate level roles were identified as experiencing the highest level of turnover in 2015 (54 per cent) and in 2018 (40 per cent), whereas senior and executive level positions were reported to have the lowest level of turnover in 2015 (4 per cent) and in 2018 (3 per cent).

**TABLE 14:** WHICH JOB POSITION HAS THE HIGHEST LEVEL OF TURNOVER? (293 RESPONSES)

ROLE	2015	2018
Entry/Junior/Graduate Level	53.8%	40.6%
Middle Management	20.7%	22.5%
Senior Management	3.2%	2.1%
Executive Level	0.67%	1.0%
No discernible difference	21.7%	25.6%
Unsure	-	8.2%

## DETAILED FINDINGS

### TURNOVER TRENDS

Table 15 shows nearly two thirds (63 per cent) of respondents indicate the main reason employees choose to leave is because their organisation lacks career progression and opportunities, an increase of 15 per cent compared to 2015 responses. Almost half (48 per cent) of responses indicate better pay elsewhere as a reason for leaving, an increase of 14 per cent compared to 2015 responses.

Poor relationships with supervisors and managers, and a lack of training and development opportunities were also regarded as main reasons for employees leaving, an increase of approximately 14 per cent for each when compared to 2015 responses. Almost half (44 per cent) of the respondents indicated new career opportunities as a core reason for employees leaving, a decline of 13 per cent compared to 2015 responses.

**TABLE 15: MAIN REASONS EMPLOYEES LEAVE YOUR ORGANISATION (348 RESPONSES)**

REASON	2015	2018
Lack of career progression/opportunities	48.3%	63.2%
Better pay elsewhere	34.7%	48.0%
New career opportunity	57.0%	44.0%
Poor relationship with supervisor/manager	27.1%	41.1%
Lack of training and development opportunities	10.5%	25.3%
Poor work/life balance	10.6%	17.2%
Personal circumstances e.g. health	23.8%	16.7%
Poor job design	-	13.8%
Permanently leaving the workforce	-	12.9%
Relocation of employee	15.8%	11.8%
Lack of employee voice in the organisation	7.3%	11.5%
Insufficient flexible work arrangements available	-	10.3%
Poor relationship with co-workers	4.9%	7.2%
Physical work environment	3.3%	6.6%
Other	13.5%	16.1%

## DETAILED FINDINGS

### RETENTION TRENDS

Table 16 indicates the types of strategies organisations have in place to encourage employee retention. The most highly cited strategy reported across 2015 (61 per cent) and 2018 (73 per cent) to encourage employee retention is training and development opportunities. Complementary to this, more than half the respondents in 2015 (51 per cent) and two-thirds in 2018 (65 per cent) indicate flexible work arrangements are a good retention strategy. There is a 10 per cent increase in responses to using performance appraisals and feedback systems as a retention mechanism between 2015 and 2018.

This year approximately half of the respondents indicate positive workplace culture (51 per cent) and workplace health and wellbeing activities (48 per cent) as employee retention strategies, factors not considered in 2015.

**TABLE 16: WHAT STRATEGIES DOES YOUR ORGANISATION HAVE IN PLACE TO ENCOURAGE EMPLOYEE RETENTION?**  
(349 RESPONSES)

ANSWER	2015	2018
Training and development opportunities	61.1%	73.1%
Flexible work arrangements	51.2%	65.5%
Performance appraisal and feedback system	49.7%	59.9%
Work/life balance initiatives	36.9%	56.7%
Positive workplace culture	-	51.0%
Employee recognition initiatives	40.9%	50.4%
Workplace health and wellbeing activities	-	48.1%
Effective recruitment and selection processes	30.9%	44.7%
Competitive salary	35.4%	35.5%
Effective management/leadership	31.4%	34.4%
Career progression opportunities	34.9%	28.9%
Competitive benefits	32.4%	27.8%
Mentoring program/buddy systems	16.8%	24.4%
Robust diversity and inclusion strategy	-	18.9%
Community-based corporate programs/CSR	-	13.5%
No strategies in place	11.5%	6.0%
Other	2.5%	3.2%

# DETAILED FINDINGS

## RETENTION TRENDS

Table 17 shows an increase in respondents believing their organisation’s retention strategies are fairly or very ineffective, from 16 per cent in 2015 to more than a quarter of responses (25 per cent) in 2018. There is a decrease in the number of respondents who believe their organisation’s retention strategies are fairly or very effective, from 57 per cent in 2015 to 53 per cent in 2018.

**TABLE 17: OVERALL, HOW EFFECTIVE DO YOU BELIEVE YOUR ORGANISATION’S RETENTION STRATEGIES ARE? (350 RESPONSES)**

ANSWER	2015	2018
Very effective	11.2%	10.9%
Fairly effective	46.1%	42.0%
Neither effective nor ineffective	26.7%	22.0%
Fairly ineffective	10.2%	18.6%
Very ineffective	5.8%	6.6%

Respondents were asked to set out reasons with respect to their organisations retention strategies being effective or ineffective. Sample comments follow from the 326 participants who provided insights:

### WHY INEFFECTIVE?

“Many employees are seen as expendable; and they are treated that way”

“Because there is an acceptance of a status quo - that people will leave so deal with it!”

“Because there are no retention strategies”

“Lack of exit interview, lack of follow-up in regards to issues, lack of training for management which leads to poor culture in the workplace”

**“The Company has greater focus on output and less on people”**

“Inconsistency”

“As an NFP we have purpose which attracts and keeps people. Unfortunately, a lack of leadership and a culture of not keeping managers accountable means many employees become disillusioned and leave”

“Lack of leadership at the executive level, lack of executive accountability and lack of concern”

**“Management is out of touch with people and how they're motivated”**

“They are only as effective as the people implementing them”

“Not targeted or comprehensive - really have no feedback loop to extract the reasons and then review the strategies we have”

**“Retention of staff isn’t prioritised until we start losing staff then it becomes a priority”**

“There is no focus on succession management for critical technical roles - people just walk out the door with years of tacit knowledge”



# DETAILED FINDINGS

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## RETENTION TRENDS

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### WHY EFFECTIVE?

“Analysis of exit interview data pointing to the benefits of working at the organisation and suggestions on how we can improve”

“Broad range of strategies constantly changing and improve our retention strategies”

“Driven by strong leadership”

“Feedback, effective communication and regular work reviews”

**“Flexibility and diversity is a key priority of the organisation and valued by employees”**

“The best way to proactively retain people is to get it right at the beginning. The is a matter of staying in touch, listening, engaging with your staff and knowing where ‘their heads are at’. If your leaders and managers do these things well, especially with key talented people, then turnover always goes down”

“Our culture is one of openness and high trust and purpose driven. Our staff connect with our purpose and relish the high trust flexible work culture”

**“We invest in learning and development and promotion from within. We are moving towards a greater focus on outcomes based work rather than measuring input”**

# DETAILED FINDINGS

## RETENTION TRENDS

Respondents were asked their opinion on which strategies they believed are most effective for retaining employees. Effective management and leadership, opportunities for career progression and promotion, and a positive workplace culture were the top three methods believed effective in retaining employees.

**TABLE 18:** WHICH OF THE FOLLOWING DO YOU BELIEVE ARE THE MOST EFFECTIVE METHODS FOR YOUR ORGANISATION TO RETAIN ITS EMPLOYEES? (350 RESPONSES)

ANSWER	2015	2018
Effective management/leadership	47.0%	66.9%
Positive workplace culture	43.2%	60.0%
Opportunities for career progression and promotion	44.8%	42.3%
Flexible work options	38.7%	34.6%
Training and development opportunities	31.7%	30.9%
Excellent pay and benefits	28.7%	28.3%
Effective recruitment and selection process	9.5%	25.1%
Regular feedback on performance	17.5%	24.9%
People management training for line managers	10.0%	24.6%
Recognition programs	4.5%	18.0%
Health and wellbeing programs	2.8%	15.4%
Excellent work environment facilities	7.8%	14.6%
Coaching and mentoring programs	6.3%	14.3%
Comprehensive induction program	2.8%	12.6%

# DETAILED FINDINGS

## RETENTION TRENDS

Respondents were asked what they believed is the most important factor in reducing employee turnover is.

Sample comments follow from the 339 participants who provided insights:

“Great leadership”

“Good hires - being transparent on what to expect and well-designed jobs”

**“Organisational culture that supports employees feeling that they belong and are valued”**

“Positive meaningful employee engagement”

“Career development and progression”

“Being responsive to employees’ needs”

“Showing support to employees at all stages of their careers and lives”

“Inspiring leaders, flexible work practices, the employees have a voice”

**“The most important factor is inclusiveness and sense of belonging, followed closely by voice. Many staff are alienated, out of the loop, and have decisions made for them and imposed upon them instead of being included in the process of decisions made that most impact them”**

“A strong alignment with the purpose of the organisation and our clients”

“Flexibility in work schedules, career and learning opportunities, inspirational leadership”

“Transparent, honest, non-apologetic communication”

“Healthy workplace environment, diverse and inclusive”

**“Good job design and physical work location”**

“Employee satisfaction in relation to work/life balance, salary/benefits and their individual role, and how that contributes to achievement of the organization's strategic objectives”

“Giving people an opportunity to thrive (i.e. let them be their best, give acknowledgement and provide opportunities for growth etc.), rather than treating them like resources. Having a positive, values-based culture that is genuine is also very important”

“Flexibility and wellness initiatives”

## DETAILED FINDINGS

### RETENTION TRENDS

Table 19 shows exit interviews remain the highest reported method of collecting employee turnover and retention data for 2015 (81 per cent) and 2018 (83 per cent). Approximately half of the respondents in 2015 and 2018 indicated performance appraisals and employee climate surveys as data collection methods. There was a 9 per cent increase in responses to 'other' methods being employed from 2015 (3 per cent) and 2018 (12 per cent).

**TABLE 19: METHODS USED TO GATHER DATA ON TURNOVER AND RETENTION (351 RESPONSES)**

ANSWER	2015	2018
Exit Interviews	81.2%	83.2%
Employee climate surveys	48.7%	53.6%
Performance appraisals	52.0%	49.9%
Word of mouth/anecdotal	47.7%	42.7%
Other	2.8%	12.0%
Employee focus groups	11.2%	11.1%
None	7.2%	5.7%

Table 20 shows that a majority (63 per cent) of organisations do not measure the cost of turnover, a slight improvement of 6 per cent on 2015.

**TABLE 20: DOES YOUR ORGANISATION MEASURE THE FINANCIAL COST OF TURNOVER? (349 RESPONSES)**

ANSWER	2015	2018
Yes	21.7%	17.2%
No	69.2%	63.0%
Unsure	9.2%	19.8%

# DETAILED FINDINGS

## RETENTION TRENDS

Respondents were asked what metrics they used to analyse the cost of turnover in their organisation. Sample comments follow from the 165 participants who provided insights:

“1.5 x annual salary”

“Average weekly earnings plus 28% on-costs multiplied by 12 weeks (to find a replacement, on-board them and training)”

“Cost of recruitment, downtime in performance of new employee, training, manager time to train”

“Generic online tools but would like more accurate reporting”

“Purely financial approach; no human capital strategy at all”

“We used the Caliper tool which includes time taken to fill the role, all recruitment and selection costs including: manpower (time to review applications, sit on panels), hours of colleagues taken up as work needs to be redistributed, cost of advertising, and other associated costs until position is filled”

Respondents were asked how their organisation is utilising technology to inform and improve retention efforts. Sample comments follow from the 315 participants who provided insights:

“About to implement an LMS e-Learning system to reduce the risk of employees leaving due to insufficient development. This will also serve as a communications tool”

“Basic spreadsheets”

“Development of an employee intranet site which will include career progression and training and development opportunities”

“Digitalising as many aspects as possible as 65% of our workforce are Millennials”

“Online learning platforms like Codecademy, Khan Academy, Coursera, Udemy, and Lynda.com to assist with employee desires towards continued learning and skill/knowledge upgrading. Utilising Atlassian's JIRA to properly document and store knowledge, methods and learning in order to be passed down from team to team; ensuring that critical knowledge is not lost as we search for suitable replacements, and also facilitating for the faster learning curve of new recruits”

“Improved HR systems and workflows, cutting edge workplace technology to lean out work across all functions”

“Introduction of an intranet to communicate with employees, especially those working remotely”

“LMS system, intranet, online feedback loop system, performance and goal setting on line and app”

“Offering working from home to be flexible and increase retention. Investing more in overall IT systems to streamline work practices, leading to efficiencies and better work life balance”

“Online entry surveys at the one-month anniversary mark for a new starter”

“Using laptops and cloud based storage so we can access files from anywhere; Skype meetings to reduce travel impacts on employees; bespoke app available on phone for majority of workers; online surveys for measuring climate”



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