

# Why Employees Leave

By Ross Blake, Retention Associates

One of the questions we're asked most often by employers of all types, including those in different countries, is "Why do employees leave?"

Some research shows 30 or more reasons why employees leave.

Here are 10 of the most common reasons employees leave; we haven't ranked them in their order of importance with the exception of the first one, which is usually the largest single reason employees leave.

We'll talk about each reason in more detail and suggest some actions you can take.

## 10 Common Reasons Employees Leave Employers

1. Poor relationship between the employee and their immediate boss.
2. Lack of a career advancement plan.
3. A poor match between the employee and the job or the employee and the company.
4. Compensation not competitive.
5. No direct link between strong performance and increased rewards.
6. A need for stimulating, meaningful work.
7. Lack of appreciation, recognition, and rewards.
8. Insufficient coaching and feedback.
9. Quality of the people the employee works with.
10. Insufficient alignment of how the employee's work achieves organizational objectives, and how the employee can be a greater success.

## **Reason #1: Poor relationship between the employee and their immediate boss.**

There's a cliché that says, "People leave managers, not companies." This is one of the largest, if not the single largest, reason employees leave employers.

And it's often because of the way their supervisor or manager communicates to them and works with them.

Their boss may frequently criticize them while withholding praise and appreciation for quality work; demean them in front of others; pile on more work as a reward for being productive; refuse reasonable requests for time off or other matters; and act disagreeably.

Many people become supervisors and managers after demonstrating a good work ethic and the ability to get the job done, but they often lack essential people and communication skills.

### **What can you do?**

- a. Make employee retention part of their job descriptions and base at least 25% of bonuses on employee retention.
- b. Provide training in how to give corrective feedback-and in how to praise and recognize employees.
- c. Help them understand the high cost of employee turnover and how it affects their performance and department.
- d. Train them to conduct "stay interviews" with their employees so they find out why they continue to work there, what would entice them to leave, what they like most about their jobs, and what other skills they want to learn.
- e. Get employee input on how their supervisor works well with them-and how they can improve how they work with them. (Notice that we haven't used the words "good" or "bad" or "right" or "wrong" here-only what they do well, and what would *improve* what they do. Your goal is to develop supervisors and managers, not criticize them).

- f. Consider coaching for supervisors and managers who need it; our experience is that most can make improvements.

## **Reason #2: Lack of a career advancement plan.**

Many employers now have many Generation X (those born between 1965 and 1980) and Generation Y (born between 1981 and 1994) employees in their workforce.

Both of these generations are much more determined to add skills, training, and expertise to better develop their careers and stay more marketable and promotable.

Their supervisor or manager is often the person best qualified to help them identify and develop new skills since they're the ones who are most familiar with the employee's work, preferences, and performance on a daily basis. Your company will likely need to learn how to help employees develop career plans, and then train managers to work on these plans with their direct reports.

In addition, work to develop "stretch" assignments so employees can increase their capabilities.

What new or expanded areas of expertise would your company benefit from if employees added new skills?

Who can supervisors and managers introduce their employees to within the organization who will help them learn, network, and grow?

If two jobs and companies are fairly similar, and one employer offers career advancement help while the other does not, which employer do you think is more likely to attract and retain qualified employees?

## **Reason #3: A poor match between the employee and the job or the employee and the company.**

Many new hires start with a fair amount of enthusiasm when they begin a new job with a new employer. However, when the new hire, the job, or the employer

haven't been well-matched, many will leave while the employer incurs expensive replacement costs.

### **How can you increase the number of successful new hire "fits?"**

- a. Use exit interviews, preferably by a third party who can promise confidentiality, to find out why they left.
- b. Be certain job descriptions are accurate and up-to-date, and identify the skills and competencies the job requires, not just the tasks. Be able to state what is required to be successful in the job.
- c. When you have qualified candidates, pay them to shadow a capable employee in the same job for one day, and then get feedback from both of them.
- d. Ask the prospective employee to identify the needs and expectations they have of the job and the company. Spell out the needs and expectations the company has of them, and then compare what both of you have *written*. How close are you?
- e. Continue to review the mutual needs and expectations you have of each other at least once a month during their first three months.

Very importantly, be certain you understand the key needs some of your employees may have. For example, one call center manager we know implemented a lactation program in his company because of the number of new mothers in his department. Other employees may need flexible benefits or flexibility on the company's part to care for aging parents.

Our experience has shown that measures like these tend to greatly increase employee loyalty, effort, and retention.

The better job you do of informing prospective employees about the job, the organization, its culture, policies, procedures, and expectations up front, the more matches you'll make.

### **Reason #4: Compensation not competitive.**

Compensation isn't the large factor many managers assume it is for employees choosing to leave.

No doubt many employees leave for higher compensation at other employers after developing their skills at one employer for several years.

However, when pay and wages are competitive for similar work in the same geographical area, there are usually other more important reasons why employees leave.

Are your wages, salaries and benefits competitive with what other employers pay? If they're not, you can expect to lose people unless there are other compelling reasons for them to stay for slightly lower wages.

Conduct a comparison of your wages and benefits every two to three years.

In addition, are you only paying minimum wage? If you are, then you're susceptible to losing people to other employers for increases as low as 5% in their hourly wages!

## **Reason #5: No direct link between strong performance and increased rewards.**

Employees work for paychecks and benefits, and employers want them to perform well, and improve their skills and performance.

This seems more than reasonable to employers, and it is.

**However, think of two key factors associated with this.**

- 1) You have an employee who gets the job done, on time, and according to specifications while overcoming any obstacles which occur. You know you can rely on them, and you often think of them first when you have an important task or when a deadline is approaching.

So you assign work to this employee again and again because you know you can depend on them to get the job done.

However, what's their reward for doing a very good to an outstanding job? More work! What do other employees who perform adequately get? The same amount of work!

While it's flattering to have the confidence of the boss and to be their "can do" person, at some point you need to increase the rewards they receive for their

increased efforts, or you'll demotivate them.

Employees need to know that increased performance at some *reasonable* point leads to increased rewards, whether it's more decision-making authority, extra skills training, higher wages, commendations by the CEO, etc.

- 2) The second factor: we need to design work and compensation systems so there is a very direct and clear link between improved performance or productivity and what the employee can earn.

### **Do your employees know what they can do to improve their performance and productivity and to earn more as a result?**

If they don't, they're likely to reach a plateau which consists of doing work that's good enough to keep the job, but without expending extra effort.

Developing a work-compensation link isn't easy, but companies have been doing it in one form or another for a long time. For example, salespeople who receive a base salary and commissions or bonuses for higher sales.

Or, gain-sharing plans where employees receive a percentage of production gains over a certain level.

The logistics of developing such a program are too lengthy to be covered here, but you can research or get outside consulting help on how to build direct links between increased performance and increased rewards/compensation in your organization.

## **Reason #6: A need for meaningful, stimulating work.**

I must admit I don't know how some people do the jobs they do: repetitive, boring, little thinking required, little chance for advancement.

Some jobs will always have these elements no matter what we do to redesign them.

### **How can we make many jobs more meaningful and stimulating?**

- 1) By acknowledging the value of the job, and more importantly, the person doing the job. Every job is beneficial to the organization and other employees in some way, yet it amazes me when managers don't recognize the hard work some employees do.

- 6 -

**If my boss thinks the work I do is important and tells me (and others), then I will often place a higher value on the work that I do and on myself.**

- 2) Cross train: some job monotony can be reduced by cross training employees so they have a variety of tasks to perform, lessening burnout and boredom.
- 3) Ask the employee what the significance is of the job they do. If they say, "Just cleaning the building," help them understand it's much more than this. For example: "You help 103 other employees have a clean and more enjoyable place to work, and a building we're proud to show to customers and visitors."

This isn't untruthful, it just sounds odd because many jobs-especially lower level ones-are talked about in negative terms.

- 4) Can you give the employee more choice in how they perform the job? Review what the job must accomplish as an end result and any safety or legal matters, and then ask them how to change or redesign the job.
- 5) Ask employees to help set the outcomes and expectations for the job. Some will add things you haven't thought of. The fear is that some employees will try to set low standards, but most won't.

## **Reason #7: Lack of appreciation, recognition, and rewards.**

We won't spend a long time on this section other than to underscore its importance since there are already so many books and resources available on delivering rewards and recognition.

We recommend conducting employee surveys once a year provided you actually act on the results; these will give you a lot of information about how well employees feel appreciated and recognized.

In terms of appreciation, research conducted by Gallup found that effective supervisors and managers praised each one of their employees a minimum of once every five working days.

Other research has continually shown that what employees want most in the workplace is “appreciation for a job well done.”

Exactly what is this? Bonuses? Prizes? More money? No, employees define it as “a thank you.”

What’s the best way of expressing this? By telling the employee what they did well and very importantly, *why*.

**Ineffective:** “Barry, thank you, you did a great job on this project.”

**Much More Effective:** “Barry, thank you, you did a great job on this project, you completed it a week ahead of the deadline, and \$600.00 below budget.”

**Answer this question about appreciation: How many people have ever complained to you that their boss gives them too much sincere praise and recognition?”**

## **Reason #8: Insufficient coaching and feedback.**

It’s surprising, but research shows many employees don’t get the positive feedback they need to know if they’re doing a good job--and if they are, exactly what it is they’re doing that’s right. So they can continue to do it.

In addition, they often don’t get the corrective feedback they need to improve their performance.

You’d think most managers and companies could easily dispense positive and corrective feedback based on what’s happening in their organizations, but they too often don’t.

Most people want to do a good job, but without the helpful positive and constructive feedback they need in order to do so, they may consider other employers.

Feedback is especially important in developing and retaining New Hires. They’re often a bit nervous in their new positions; effective feedback helps them understand what they’re doing well, builds their confidence, and helps them improve performance.

**In many ways, management shapes the quality of employee performance it gets by how effectively and frequently it provides feedback.**

### **Three feedback guidelines:**

1. Give praise or positive feedback as soon as an employee, especially a new hire, does something right or well so you reinforce their performance and make it more likely to occur again.
2. Discuss in advance how employees would like to receive feedback. For example: "We're going to be working on a lot of projects together. From time to time, I may need to let you know you need to improve or correct something you're doing. How would you like me to give you this information so you feel okay about receiving it?"
3. Deliver four times as much positive feedback as you do corrective feedback. If you go looking for what your people are doing right instead of what they're doing wrong, you'll accomplish this.

**In our experience, giving positive and corrective feedback is one of the most effective, yet least used, managerial and retention tools there is.**

### **Reason #9: Quality of the people the employee works with.**

This reason for leaving isn't often thought of, but you can quickly see its value.

#### **What are the people an employee works with like?**

- Are they a group of complainers that nothing ever goes right for?
- Are they interested only in doing enough to keep their jobs and no more?
- Do they see hidden, negative agendas in everything management proposes?
- Do they criticize instead of support each other?

If so, how do you think their behaviors impact the employee and her or his outlook and performance?

Even those with a generally positive attitude will find negative employees and a negative work environment difficult to overcome, and may decide to work elsewhere.

**However, suppose the employee's co-workers are like this:**

- 9 -

- They look for ways to help each other out when needed.
- They want to improve the work they do because they place value on what they do.
- They compliment and support each other.
- They share knowledge and expertise.

How do you think these behaviors impact the employee and his or her outlook and performance?

You may need to review how you recruit, interview, and orient employees-and how you help shape their beliefs and attitudes about working for your company.

- Do you use instruments to help you determine applicants' suitability to join your organization?
- Do you use team interviewing so the people a candidate will actually work with interview them and help make the hiring decision?
- Do you train supervisors and managers how to work with their people in order to get the best from them?
- Does your culture reward positive attitudes and above average performance, or only espouse them?
- Does your organization "go the extra mile" for employees first with the expectation most of them will follow suit on the organization's behalf? Or does it demand good performance from employees first and then decide if it will reward them later or not?

**Remember: it is management's job to recruit, hire, develop, and retain the most positive, motivated, and productive employees it can.**

## **Reason #10: Insufficient alignment of how the employee's work achieves organizational objectives, and how the employee can be a greater success.**

Many employees know what tasks they need to do in order to do their jobs.

What they so often don't know is:

- What the value of their work is to internal customers and external customers.
- What the value of their work is to the organization, and how it contributes to the organization's objectives.

I once asked a group of employees in a dairy plant what they did, and they said:  
“We make sour cream and cottage cheese.”

While factually true, this answer is very incomplete.  
I asked them whom they made these products for, how many customers they had, and what the value of their work was.

After working on it, they came back and enthusiastically said:

**“We make pure white gold for over a million customers in 28 states every week to help them feed their families.”**

Which statement demonstrates the group knows what the value of their jobs is and suggests pride? Can you see and even *feel* the difference in the second statement?

In effect, management needs to continually “advertise” to its employees the value of the work they do for several reasons.

First, employees need to feel they're making a positive contribution.

**Second, wisely or not, many of us base our value as people on the value of the work we do.**

I'm not certain who first said it, but it applies here:

**“Help me feel good about myself at work.”**

Employers who help their employees feel good about themselves at work will attract more capable candidates and retain more motivated, revenue-producing employees.

We also need to show our employees how to be a success in their jobs, which should be one of the goals in orientation.

- What skills and competencies does the job require?

- How will the employee know if they're successful in the job or not? Who or what measures will tell them?
- What are the "insider secrets" for success in the job from employees who are successful in doing it *from both a technical and a human relations standpoint*?
- Why does this job need to be done? What is its importance or value? What does it help the organization do?
- Who are the employee's customers-and how do they deliver benefit to them?

Spend the time to help your employees succeed.

We've covered 10 of the most common reasons employees leave employers. There are others, but if you pay attention to these, you'll resolve most of the reasons for turnover in your organization.



*Ross Blake of Retention Associates helps employers improve employee retention and reduce costly turnover problems.*

*He has just written "10 Strategies to Develop an Employee Retention Program" which can be downloaded at <http://www.RetainsEmployees.com>.*

*He can be contacted at 716-357-2265 or [Info@RetainsEmployees.com](mailto:Info@RetainsEmployees.com) with questions or comments.*