



Employee Exit Surveys

Discover Why Employees Leave

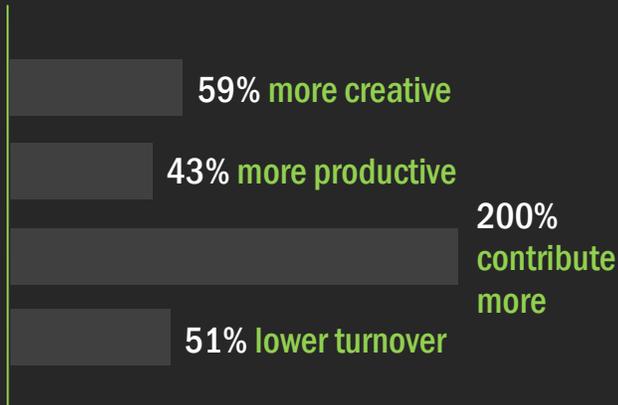
Special Report

Any good business owner or executive knows that employee turnover is a very real threat to the success of a business, but the size of the threat is often underestimated and this misjudgment, combined with a lack of knowledge on how to effectively reduce the rate of turnover, is resulting in businesses with a stagnant or worsening turnover rate. This high employee turnover rate then results in large amounts of money lost for the company.

One employee who leaves the company can cost the business the equivalent of more than 150 to 200% of their salary in the costs of advertising, recruiting, and training a replacement, and the dollars lost in reduced productivity, customer satisfaction issues, and a decline in sales during the search for the replacement and then while the new hire gets up to speed. Once a company is presented with the potential costs of employee turnover it becomes easier to spend money up front to research and identify why current employees are leaving and what can be done to reduce turnover rates.

In general employees leave because they are disengaged, stressed, and unproductive in the workplace resulting in dissatisfaction and lack of fulfillment. The 2013 Gallup report on the State of the American workplace noted that 70% of all employees actively disengage at work which means they are less emotionally involved and as a result are less productive. The same report estimates that this lost productivity costs the U.S. between 450 billion and 550 billion dollars each year. The 2013 Work Stress Survey conducted via telephone by Everest College revealed that eight out of ten employed Americans (or 83%) are stressed out at their job which is a 10% increase from 2012 when 73% of Americans reported stress on the job. According to a 2011 Careerbuilder.com report, 76% of full time employees being willing to leave their current workplace for the right opportunity. This may be a direct result of their lack of emotional involvement and the presence of stress.

It is important that companies find a way to increase employee engagement in order to reduce employee turnover.



A presentation put together by engageforsuccess.org reveals that employees who feel more engaged at work have 59% more creative ideas, are 43% more productive, and contribute to 200% more net annual profit. A similar study, shared by iCIMS, Inc, showed that engaged employees have 51% lower turnover. Identifying ways to engage employees is instrumental in reducing employee turnover.

While all of this information is essential, awareness of the statistics and the negative consequences associated with a high employee turnover rate, knowledge of the most common reasons why employees leave companies, and understanding of the importance of employee engagement are significant first steps in addressing the issue of employee turnover, the most important step is what business leaders do with the information. Companies need to start determining the specific reasons that employees are leaving their company in order to improve problem areas. But how? One of the most easy and effective solutions to implement is the integration of employee exit strategies, in particular the exit survey.

The implementation of exit surveys, and the access to the data provided in them, has been shown to have a myriad of benefits, including:

- Increased employee engagement
- Increased employee productivity
- Identification of problem supervisors who could lead to repeat turnover
- Increased retention and reduced employee turnover
- Money saved as a result of reducing costs related to turnover

It is important to note that exit surveys developed and administered within the company have proven less effective than exit surveys outsourced to a third party because employees are usually more honest with a third party since they believe that their feedback may actually be heard and used to improve the company. The exit survey provided by Proactive Insights, www.ProactiveInsights.com, gives the employer and employee the option to be anonymous and it can be administered by a third party.

The exit survey will provide raw and informative data to company leaders that will allow for the accurate diagnosis of problem areas which are resulting in employee turnover. For each company it could be: a lack of role definitions, poor compensation, a lack of performance management, or any combination of all three and other factors. Exit surveys will help your company determine what specific direction to move in for the most impact. It is a simple tool but extremely effective. There is no need to invest an exorbitant amount of money in order to see improvements and investment in a third party exit interview is well worth the savings from the reduced cost of employee turnover.

Proactive Insights has also identified an important subset of employee turnover that many other TPAs (third party administrators) disregard: fired employees. There are a lot of voices saying there is no benefit to survey fired employees due to the belief that many in this situation will be dishonest out of resentment or ulterior motives. Proactive Insights realized that these employees have unique and important information to provide to businesses and has worked to develop software that uses automated trend analysis to cut through potentially false information in order to reveal the important snippets of honest and useful information in the exit survey.

Information on the exit survey can be found here:



Additionally, if the implementation of an exit survey has caught your attention, and you're interested in other tactics that can reduce employee turnover, check out the start survey also offered by Proactive Insights

