HIGHMATCH

EARLY TURNOVER REPORT

Addressing Early Turnover Through Strategic Hiring Solutions

How to Identify the Underlying Causes & Curb Early Turnover

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ABOUT HIGHMATCH

HighMatch offers modern assessments tailored to your organization's roles, competencies, and culture. Personalized by workplace psychologists, our solutions can be delivered at any stage of the hiring process, with support for every job level. We provide highly relevant, data-driven insights that boost employee retention and engagement while streamlining your hiring process.

Launched in 2004, HighMatch is trusted by leading enterprise organizations, including Keller Williams, Mercedes Benz, NVR, TSMC, and Comcast, to help solve their most pressing talent challenges.


TABLE OF CONTENTS

This report will analyze the underlying weaknesses in common hiring practices that lead to early turnover and offer actionable solutions for attracting qualified candidates, **ensuring job and culture fit**, and **improving overall retention and workplace productivity**.

Report: **Addressing Early Turnover Through Strategic Hiring Solutions -**
How to Identify the Underlying Causes & Curb Early Turnover

pg. 1

INTRODUCTION

Early turnover is a common challenge for any hiring team, regardless of industry. Within the first 90 days of employment, **30% of new hires** **will exit their position before they become a fully productive part of their team and workplace**. A candidate may seem like a good fit if they pass an interview and complete basic training, but a misalignment between the candidate's needs and expectations and the reality of their new position can lead to an early exit.

25%
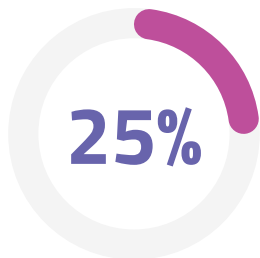
of employees between ages 17-24 reported **feeling satisfied with their job**[1]

60%
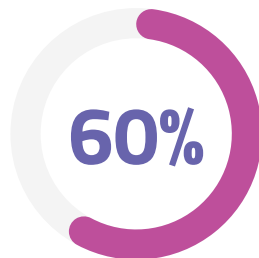
of employees **feel their work is meaningless** or that they have **no room to grow**

44%
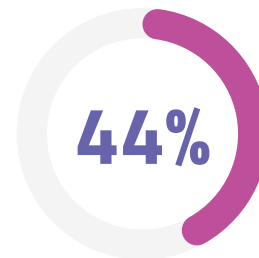
of employees report **high levels of stress** during their workday [2]

Compared to previous years, early turnover has become more challenging due to candidates' increasing comfort levels when looking for opportunities elsewhere. In a post-pandemic world, the Great Resignation is evidence that the foundational issues causing high early turnover rates are multi-faceted. Employees are not resigning after a few weeks of training solely because of insufficient pay, but rather from difficulties settling into a new job, dissatisfaction with their work environment, and heightened stress levels caused by poor management or a mismatch between the employee and role.

65%
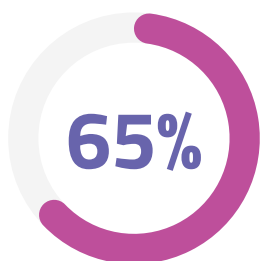
of employees report **rebalancing their work life** post-pandemic

50%

of candidates are considering 2+ **other job offers** simultaneously
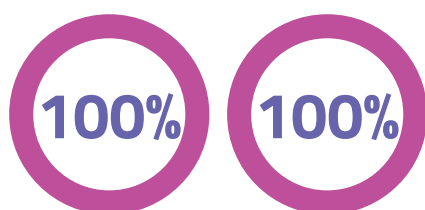
56%
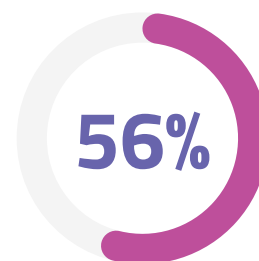
of employees have applied to **jobs outside their career path** [3]

High early turnover rates pose a significant problem for any organization. New hires require an investment of time and money to ensure they are well-trained for their role. For a team to operate at maximum efficiency, those new hires must be present and productive, or else senior members of the team must work overtime to cover the vacancy. A high volume of new hires leaving just after completing training can critically impact a workplace's productivity and waste time and effort for everyone involved. *Some early turnover is to be expected—but when the rate begins impacting the rest of the organization, it calls for careful attention to the situation.*

18%
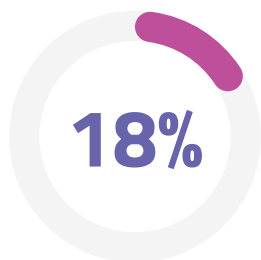
It takes 18% longer to fill a role post-pandemic [3]

100% 100%

Replacing a candidate can cost up to 200% of their annual salary

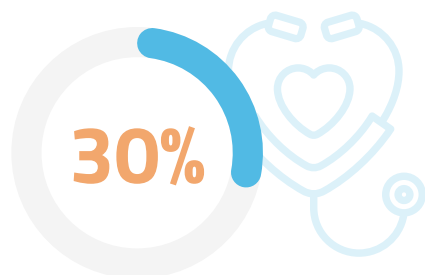### REFERENCES

- **1:** https://hbr.org/2017/12/how-to-improve-the-engagement-and-retention-of-young-hourly-workers

- **2:** https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx

- **3:** https://www.gartner.com/en/articles/great-resignation-or-not-money-won-t-fix-all-your-talent-problems

WHO'S IMPACTED?

Early turnover impacts every industry, but higher rates are common in those with a high volume of entry-level jobs, challenging or dangerous working conditions, and a wide availability of job openings. Any role that requires minimum skill for low pay, that has many available openings, or that involves long hours under stressful working conditions faces a higher risk of early turnover. Some of these high-turnover positions include *nurses, warehouse workers, retail employees, customer service reps, and restaurant staff*. Roles that require a high level of skill, or that involve niche training, can also experience severe turnover when there are many job openings but few applicants, such as *bank tellers*.

30%

Early turnover rates for **nurses** *reach averages* **as high as 30%**[4]

1 in 3 new hires leave within the **first 90 days** *of employment.*[5]

REFERENCES

- **4:** https://www.oracle.com/human-capital-management/cost-of-nurse-turnover/

- **5:** https://www.jobvite.com/wp-content/uploads/2018/04/2018_Job_Seeker_Nation_Study.pdf

CAUSES OF EARLY TURNOVER

The key factors causing an employee to leave within the first 90 days vary from role to role, but much of it can be boiled down to a few universal categories. ***Before implementing a solution, it is vital to understand why new hires are motivated to leave early.***

Misalignment of Expectations

When surveyed, nearly **half of the candidates who reported leaving** within their first 90 days cited a mismatch in expectations between themselves and their employer as the primary cause for their departure. An additional **60% mentioned miscommunicated job responsibilities as another major factor**.

continued...

Before the candidate makes contact with your HR team, the job description should provide a concrete picture of what the role entails and the relevant skills and obligations. An incomplete job description may offer just enough detail to interest the candidate, but once hired, they turnover due to being unprepared and incapable of fulfilling their responsibilities. A poorly worded job description is one root cause of a mismatch, but interviewers not making the expectations clear during early interviews only worsens the situation.

This misalignment of expectations can continue beyond the initial job description. Around a third of candidates who depart early from their job **named salary as the main problem** with their new role. This mismatch often starts during the interview process, when a miscommunication between the interviewer and interviewee leads to the candidate expecting a higher level of pay than is ultimately given. If the candidate expects a higher salary and does not receive it, they may feel a promise has gone unfulfilled and look for a better offer elsewhere.

Misalignment of Skills

Although clear communication throughout the hiring process is critical, sometimes additional difficulties arise when a new hire encounters situations where they lack essential skills, leading to difficulties fulfilling their responsibilities. These struggles can be caused by a lack of both hard and soft skills.

Insufficient onboarding or training is often the culprit for a lack of hard skills, such as unfamiliarity with specific equipment or proprietary software. Other times, the employee may lack soft skills such as time management or interpersonal skills that hinder their performance.

Sometimes the issue lies with the job description itself failing to mention a particular skill as a requirement. As a result, the candidate may lack competency in that area and ultimately be let go. It is also not uncommon for a candidate to overestimate their existing skill levels and apply for positions beyond their capabilities.

A **BambooHR study** highlights the importance of a strong onboarding program. **90% of respondents credited their onboarding experience as the key reason why they remained in their position.** They also said it made them feel more confident in their responsibilities and more engaged in their organization overall.

90% *of respondents credited their onboarding experience as the reason why they remained in their position*

Report: **Addressing Early Turnover Through Strategic Hiring Solutions –**
How to Identify the Underlying Causes & Curb Early Turnover

pg. 5

Misalignment of Job Factors

Outside of the functional side of a job, there are many other contributing factors that frustrate new hires to the point of an early departure.

A recent survey found that of the **50% of candidates who left early, the majority of them cited their working hours and working environment as the underlying issue**. Long working hours and continuous changes to a new hire's work schedule make adapting to a new job tedious and can cause a severe shift in work-life balance. Dangerous, loud, or uncomfortable working environments—especially if unanticipated—is a common mismatch between a candidate and role.

60% of employees who leave early mention poor management being a key factor in their decision to leave a new job. Without effective management, these employees were uncertain what their responsibilities were, had difficulty fairly settling interpersonal disputes, and felt unsupported and unappreciated in their role.

In instances where none of these aspects were detrimental enough to cause a new hire to leave, **33% of them still left due to having no room to grow**. Feeling stuck in a role can cause worker disengagement and dissatisfaction, encouraging stagnated employees to seek more promising opportunities elsewhere.

Report: **Addressing Early Turnover Through Strategic Hiring Solutions -**
How to Identify the Underlying Causes & Curb Early Turnover

pg. 6

IMPACTS OF EARLY TURNOVER

Training Expenses

The onboarding process is critical to getting a new hire up to speed on their role and workplace environment. Properly training a new employee is an expensive process, costing a significant amount of time, money, and effort on the part of the employee, their trainer, and your HR team.

[A training industry report from 2020](#) determined a single new hire requires an average of 55.4 hours to complete their initial training along with $1,000 - $1,500 in expenditures. Roles that involve rapidly changing technology and practices call for more training staff and equipment, more employees who need training, and a broader scope of training. The cost per employee may seem insubstantial in the short term, but it quickly adds up to a significant loss of budget when a large volume of new hires are leaving within the first 90 days.

In 2020, an estimated 82.5 billion was spent on training expenditures across U.S. companies.

Productivity Loss

The immediate and obvious impact of early turnover on an organization is the loss of productivity felt by the workplace and its teams. When a new hire is brought in to fill a vacancy, only to leave in the first 90 days, the burden of covering the gap falls right back to existing employees. Not having enough people to fill out a team significantly increases the workload and stress on individual workers, which can lead to a further decrease in productivity and, eventually, burnout.

Prolonged understaffing can decrease employee satisfaction and raise stress levels to the point that even your well-trained, veteran employees begin to turnover at higher rates. **The loss of an experienced employee is even worse than a new hire—costing 50-200% of their annual salary.**

*Employees experiencing **high levels of stress or burnout** are **2.6 times more likely to turnover**.*[6]

***Replacing** an experienced worker costs an average of **$50k per employee**.*[7]

REFERENCES

- **6:** https://www.gallup.com/workplace/282659/employee-burnout-perspective-paper.aspx
- **7:** https://www.oracle.com/human-capital-management/cost-employee-turnover-healthcare/

SOLUTIONS

There is no one-size-fits-all solution to improving retention rates. Depending on the individual factors contributing to high turnover, some solutions may be more effective than others. Implementing several carefully selected solutions that each target a specific issue offers a more comprehensive approach.

Tools

Realistic job previews

Job previews take things a step further than a simple job description. They offer a candid and realistic picture of what working a position entails: the responsibilities, the challenges, and the working conditions. The previews are usually either a video or descriptive text that is available to a candidate before they progress deeper into the hiring process.

The candidate can access the job preview, get an idea of what the requirements are, and decide for themselves whether to pursue the position. Job previews solve the issue of misaligned expectations between the candidate and role by making their responsibilities clear from the get-go. This saves time and effort for both the candidate and your hiring team, and ensures a candidate that moves on to the next stage is more likely to be a good fit.
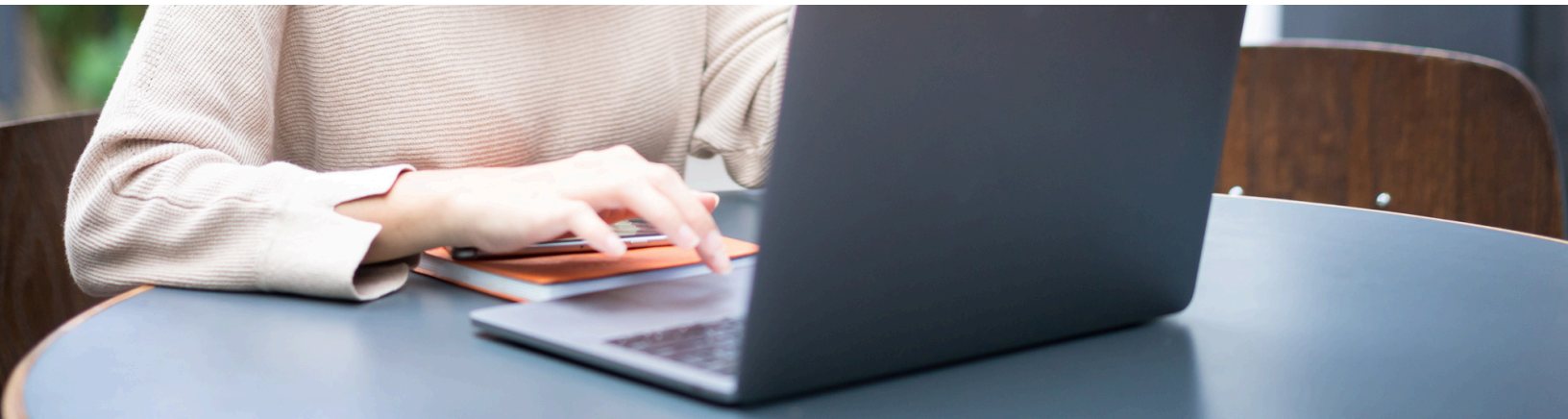
Early screening questionnaires

Early screening questionnaires are administered in the first stages of the hiring process. They outline the job requirements and assess for the specific skills and qualifications necessary for the role. Should a candidate score poorly on the test, they are automatically removed from the hiring process. Alternatively, if the candidate decides the job is a mismatch, they can voluntarily opt-out of the process. The data collected through questionnaires helps hiring managers make objective hiring decisions. Implementing screening questionnaires is a time-saver for both parties and can significantly streamline the hiring process.

Report: **Addressing Early Turnover Through Strategic Hiring Solutions -**
How to Identify the Underlying Causes & Curb Early Turnover

pg. 8

How HighMatch Can Help

HighMatch offers a comprehensive suite of tools, including job previews and screening questionnaires, to enhance the hiring process for job candidates and recruiters. There are also additional assessments to provide an even more robust and in-depth recruitment process.

HIGHMATCH

- **Skill tests may test hard skills, such as a candidate's knowledge of the Microsoft suite of products, or soft skills, such as a candidate's leadership ability**

- **Minimum qualification tests help ensure a candidate meets the basic level of skills required for the role and identify the appropriate pay range to prevent a mismatch in expectations**

- **Culture fit tests determine whether a candidate will be compatible in the workplace**

- **Personality tests evaluate a candidate's natural personality traits and behaviors**

When an early screening questionnaire does not offer enough information, implementing one of these tests can provide more detail on a candidate while further automating the hiring process.

When an employer understands a candidate's capabilities and skill levels, they can create more effective onboarding training programs that are customized to their hires.

This tailored approach allows new hires to quickly become productive members of their teams.

Report: **Addressing Early Turnover Through Strategic Hiring Solutions –**
How to Identify the Underlying Causes & Curb Early Turnover

pg. 9

HIRING PRACTICES

Implementing tools is a powerful and effective way to streamline and automate the hiring process, saving time for everyone involved. However, once a candidate moves past the initial stage of the hiring process, ensuring your HR team is making use of consistent hiring practices is equally important.

When your hiring team identifies a truly exceptional employee, figuring out the reason why they were so effective in their role gives insight into identifying new hires with the same capabilities. Using past hiring data from hiring tools like screening questionnaires can help match a rockstar candidate to the early signs of success.

If one of these candidates departs later, securing an exit interview with them to discuss their reasons for leaving is critical for identifying areas where the hiring process could be improved for future candidates. Throughout the hiring journey, and while the candidate is employed, maintaining strong, transparent communication between the candidate, HR team, and their manager is vitally important for keeping the candidate engaged and satisfied.

CASE STUDIES

We analyzed several case studies where HighMatch collaborated with the recruitment teams from three different organizations to determine the problems they experienced and the solutions they implemented to reduce the impact of early turnover.

Curb Training Expenses with Pre-employment Tests

A large national food distributor was hiring 1,200 employees a year for roles requiring a unique skill set and comprehensive training. With a turnover rate of 70%, the organization lost over $4 million in 3 years.

Partnering with HighMatch, their recruitment team implemented a series of tools to curb turnover. Candidates first completed a *minimum qualification survey* to assess their basic capability for the role. Next, they watched a *job preview* that ensured the candidate's expectations for the job were aligned with the realities of the position. Finally, candidates took a *behavioral test* that checked for key traits identified as markers for success on the job. If a candidate passed all three stages, they met with interviewers for a *final evaluation*.

Once these solutions were put into practice, the organization experienced a 72% reduction in turnover, saving them well over $300k in the first year.

The organization experienced a

72%
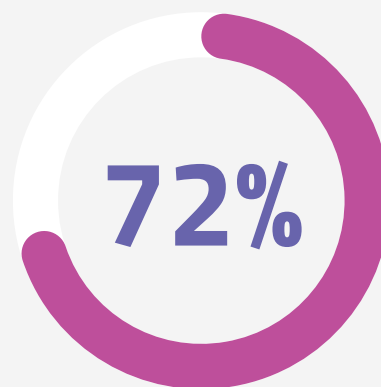
*reduction in turnover, saving **$300k+***

continued...

CASE STUDIES

Boost Workforce Integrity with Job Profiles

An in-home healthcare provider was experiencing a turnover rate of 80% in the first six months of employment, with many new hires ceasing to show up for work within the first three months.

Additionally, many of the hires who stayed were demonstrating a *lack of maturity and professional conduct.* After the provider connected with HighMatch, our team assessed the characteristics of the most effective members of their workforce to identify the traits that marked a top performer. Then, our team created a **Job Profile** that listed the attributes of an ideal hire that their hiring team could compare new hires to. If a candidate lacked the essential traits, they were disqualified from the hiring process.

After implementing this solution, their hiring team reported a 64% decrease in turnover as well as an uptick in maturity and professionalism in their employees.

As their workforce strengthened and they gained better fitting candidates, the provider was able to reduce training and overtime costs, improve patient quality of care, and build a pool of reserve candidates to fill any vacant positions in the future.

Identify Qualified Candidates with Predictive Profiles

A Fortune 50 telecom company was struggling with a 50% turnover rate for a role requiring specific skills and personality traits for success.

Looking to slow the revolving door of high turnover and high-volume hiring, their recruiters partnered with HighMatch to find a solution. Our team conducted a benchmark study to analyze employees with lengthy tenure to construct a predictive profile. The recruitment team used this predictive profile to match candidates with key traits to the role quickly and accurately.

After 12 months of use, our team at HighMatch conducted a validation study to assess the predictability and reliability of the profile. *The profile proved to reduce turnover rates by 48%, saving the company nearly $6 million annually.*

CONCLUSION

High turnover rates caused by the ripple effect of the pandemic and subsequent Great Resignation are being felt across every industry. Taking a moment to assess your organization-specific reasons for early turnover can provide insights critical to formulating an effective strategy for improving retention rates past the first 90 days.

Out-of-control early turnover can be *costly*, and leaving it unmanaged can *drive away existing employees, overtax your recruitment team,* and *waste an enormous amount of time and money for both your candidates and organization.* Identifying and implementing an effective solution can greatly reduce training costs and wasted salaries, opening up the possibility of investing those savings back into the hiring and onboarding process.

Having a consistent methodology behind your organization's hiring process builds a stronger pipeline of candidates. Shifting some of the workload from your HR staff to automated tools streamlines your candidate pool down to the most promising options, allowing you to focus on examining each individual to find the best fit for a role.

Effective tools and transparent communication is key to aligning your candidate's expectations to a role, greatly improving the chances of finding and retaining a rockstar employee for years to come.

Report: **Addressing Early Turnover Through Strategic Hiring Solutions -**
How to Identify the Underlying Causes & Curb Early Turnover

pg. 12

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