



Center for Business Analytics and Community Research

Talent Tips: Workforce Retention, Part 2

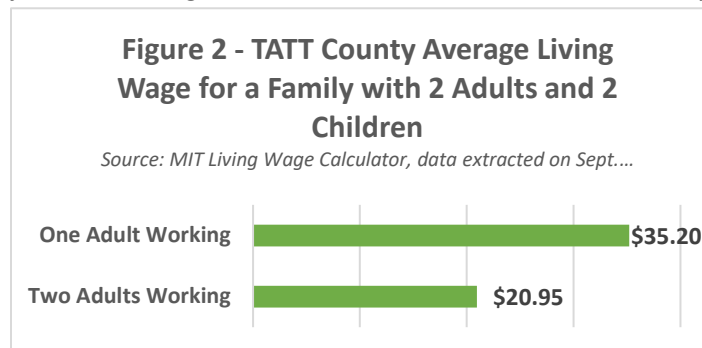
Last month we considered several factors related to workforce retention and its impact on both large and small companies. As noted in the September Talent Tip, the [Palmetto Business Barometer](#) survey found that achieving adequate staffing levels was the second largest concern for South Carolina businesses, with fifty-three percent of survey respondents concerned about workforce turnover. Only inflation/price stability ranked as a larger concern in the August survey.

Another key point to consider is the high costs related to replacing lost employees. Several studies were cited in last month’s Talent Tip that suggest the cost of replacing employees can range between one-half and two times – or more – of the employee’s salary. ([Soteria HR Consulting](#), [Terra Staffing Group](#), [Forbes](#)). Clearly, the costs related to turnover can add up very quickly.

As a result, it makes good business sense to think about how to better retain employees. Based on a Pew Research Survey, the figure to the right lists the top five reasons that workers in the United States left their job in 2022.



Number 1: In a [2022 study](#) (published in 2023), the Pew Research Center found that the number one reason for employees leaving their job is the perception that their pay is too low. According to [Zippia](#), a career consulting firm, “wage growth for job switchers is 47% higher than those who stay in their current job.” According to a [2018 Forbes article](#), the result of “staying employed at the same company for over



two years is going to make you earn less over your lifetime by about 50% or more.” Pay differentials this large between job shifters and those remaining in their current employment represents a real challenge for employers. Serious strategic consideration and action will be required to effectively combat this significant difference. For reference and interest, we

have included the average living wage for a family consisting of two adults and two children that live in the TATT counties (see Figure 2).

Number 2: The Pew survey found the second most mentioned reason for leaving a job was the lack of internal opportunities for career advancement. According to [LinkedIn's 2021 Workplace Learning Report](#), median employee tenure within a company is nearly 2-times longer for companies that have pathways for internal mobility. Career pathways can encompass both vertical and horizontal movement within the organization and should be discussed as part of the normal performance evaluation conversation. In her [2022 article in Forbes](#), Mikaela Kiner outlines practical steps that firms can implement when creating meaningful career planning mechanisms. The payoff will likely be improved employee retention.

Number 3: Feeling disrespected at work was cited as the third primary reason for leaving a job. In a [2022 MIT Sloan article, Donald Sull et al.](#), found that a toxic corporate culture and a failure to recognize employee performance were both significant factors driving resignations. In this study of 500 large companies, toxic corporate culture – of which workers feeling disrespected was an element – was the strongest predictor of industry-adjusted attrition. Fortunately, with dedicated effort, culture can be improved.

Number 4: Childcare can often complicate adhering to work schedules for many employees. According to a Harvard Business Review article titled [Childcare is a Business Issue](#), an estimated 50 million workers have a child that is under 14 years of age. While the impact varies from study-to-study, a 2020 study by the [U.S. Chamber of Commerce Foundation](#) found that 58% of parents leaving their job cited childcare issues as a contributing factor. The same study presents data on employer willingness to address this issue. Twenty percent of employers surveyed in the study are willing to consider investments in childcare, thirty-five percent are not willing to invest, and forty-five percent neither indicated a willingness or unwillingness to invest in childcare. Does it make business sense for your organization to invest in childcare?

Number 5: The fifth highest factor in the Pew Research study indicated that insufficient flexibility related to choosing work hours increases worker turnover. According to a 2019 SHRM article titled [Flexible Work Critical to Retention](#), "...52% of respondents have tried to negotiate flexible work arrangements with their companies. More than 25 percent said they would take a 10 percent to 20 percent pay cut in exchange for flexible work arrangements."

Employee retention is multifaceted and there are many factors that employers need to consider. The five elements mentioned above appear in many surveys and they represent opportunities for employers to work with employees to reduce the high costs of worker turnover. If you have questions, comments, or want to engage in additional conversation related to workforce retention, please contact us at the [Center for Business Analytics and Community Research](#).

Sidebar: Living wage by County:

Living Wage by TATT County, 2023		
	One Adult Working	Two Adults Working
Abbeville	\$34.37	\$20.24
Anderson	\$35.28	\$21.28
Cherokee	\$34.57	\$20.92
Greenville	\$36.47	\$21.87
Greenwood	\$34.98	\$20.55
Laurens	\$34.90	\$20.51
Oconee	\$35.08	\$20.60
Pickens	\$36.47	\$21.87
Spartanburg	\$35.51	\$21.39
Union	\$34.37	\$20.24