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New Orleans & Virtual
June 12-15

Cutting Turnover 20% and More During The Great Resignation

Presented by:

Dick Finnegan, Speaker, Author, & CEO, C-Suite Analytics

#SHRM22

Dick Finnegan Resume



- Trained as therapist
- “Recovering HR Executive”
- Partnered with professor to study academic research re employee retention
- Developed scientific approach to reducing turnover
- Applied on 6 continents, 49 states, all industries
- Recognized by Forbes and BusinessWeek as leading retention expert
- CEO and founder of C-Suite Analytics

Two Opposite Ways to Approach Employee Retention

1 SIZE FITS ALL

HR-only solution
resulting from

- Engagement surveys
- Exit surveys
- Salary surveys
- Benefits surveys
- Employee committees

OR

Leaders drive
retention by
building 1-1 trust
with each employee

1 ON 1



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T R U S T

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This does NOT mean each time an employee quits it is because she doesn't trust her boss...though that might be true

It DOES mean each individual leader becomes your very best employee retention solution



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Reduced turnover 30%

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COVENANT
HEALTH

- ▶ Boston-area HQ
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Quest Diagnostics™

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- ▶ Healthcare diagnostics
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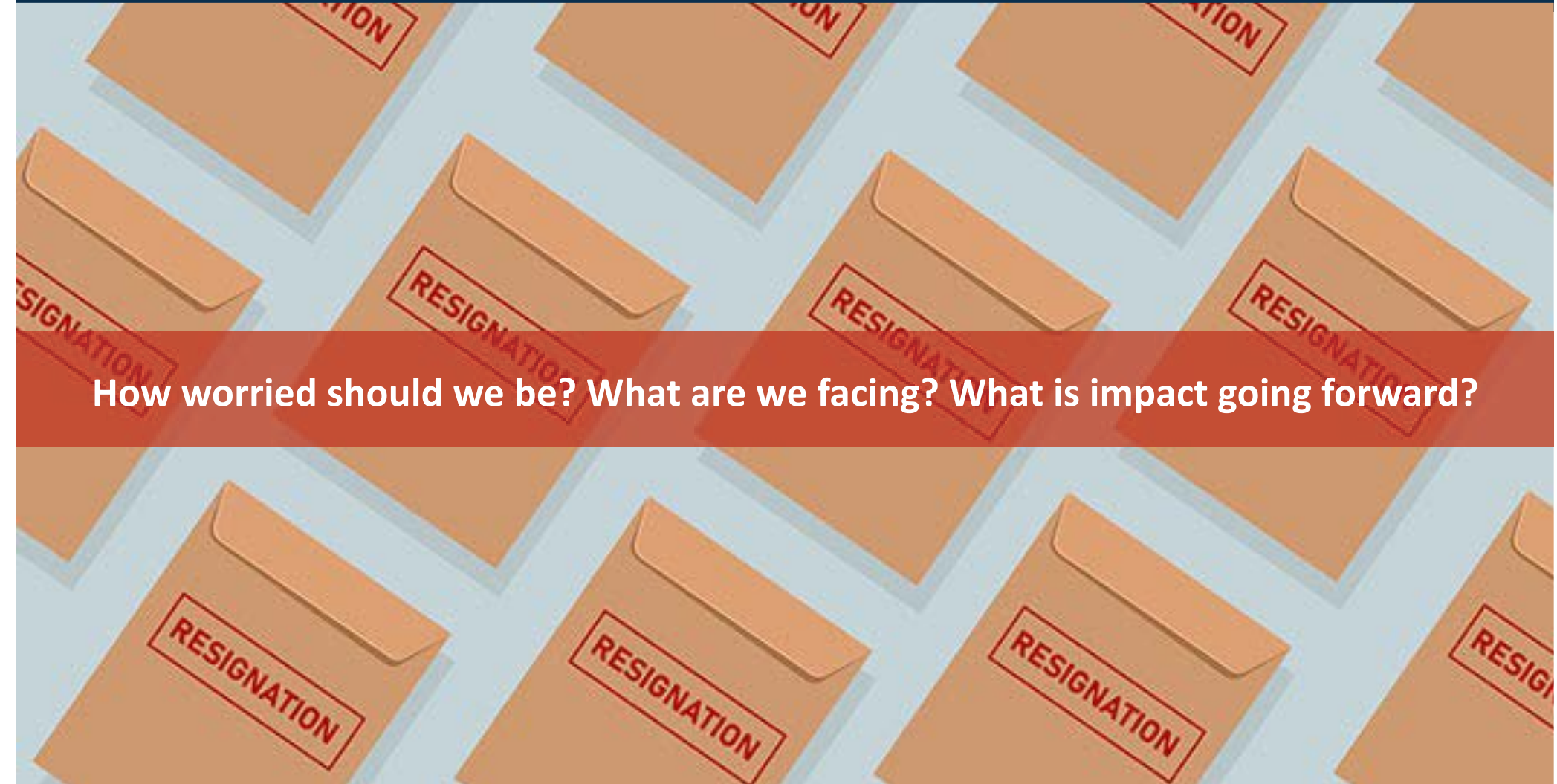
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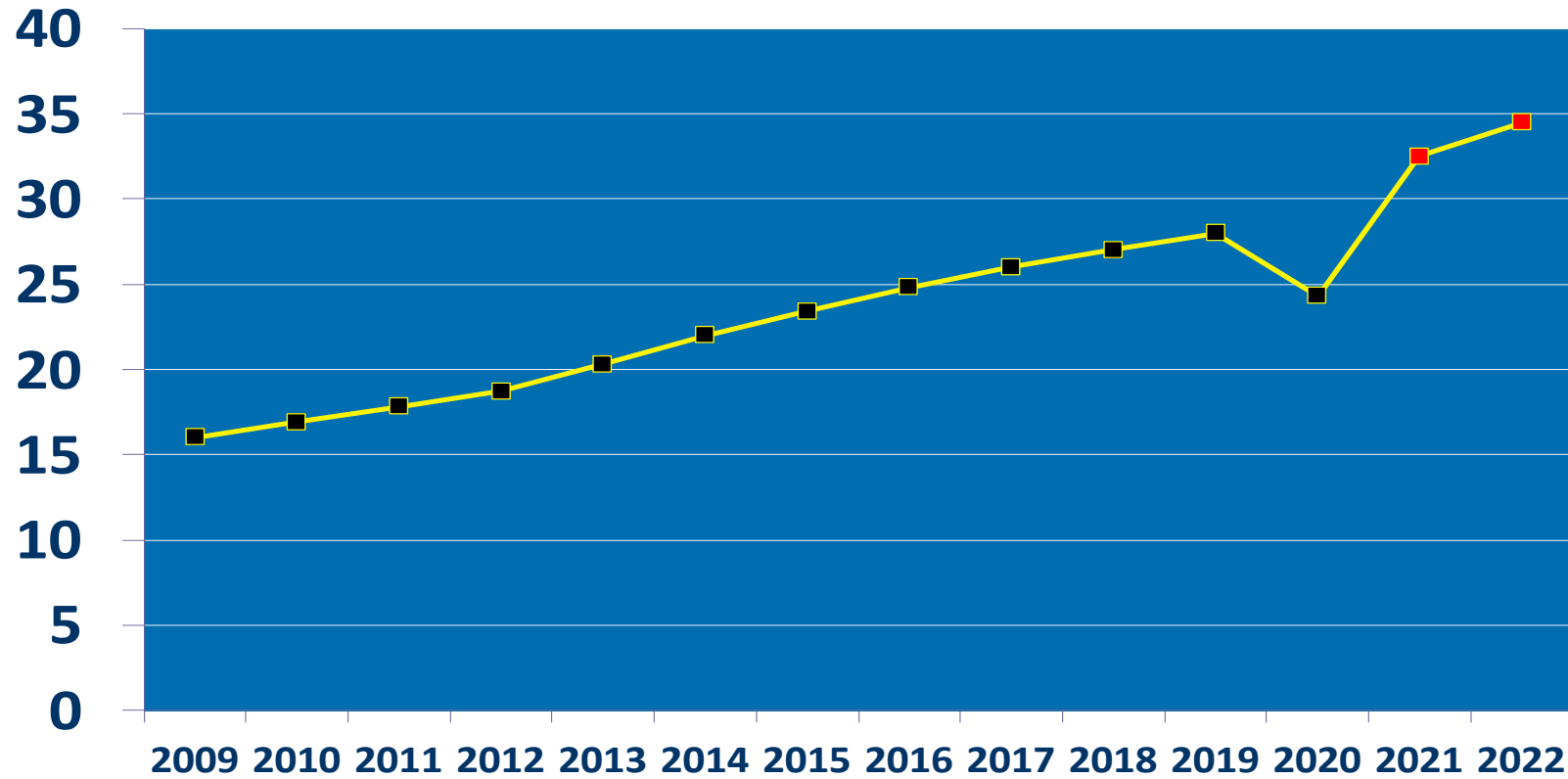
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Why Your Executives Should Fear “The Great Resignation”

How worried should we be? What are we facing? What is impact going forward?

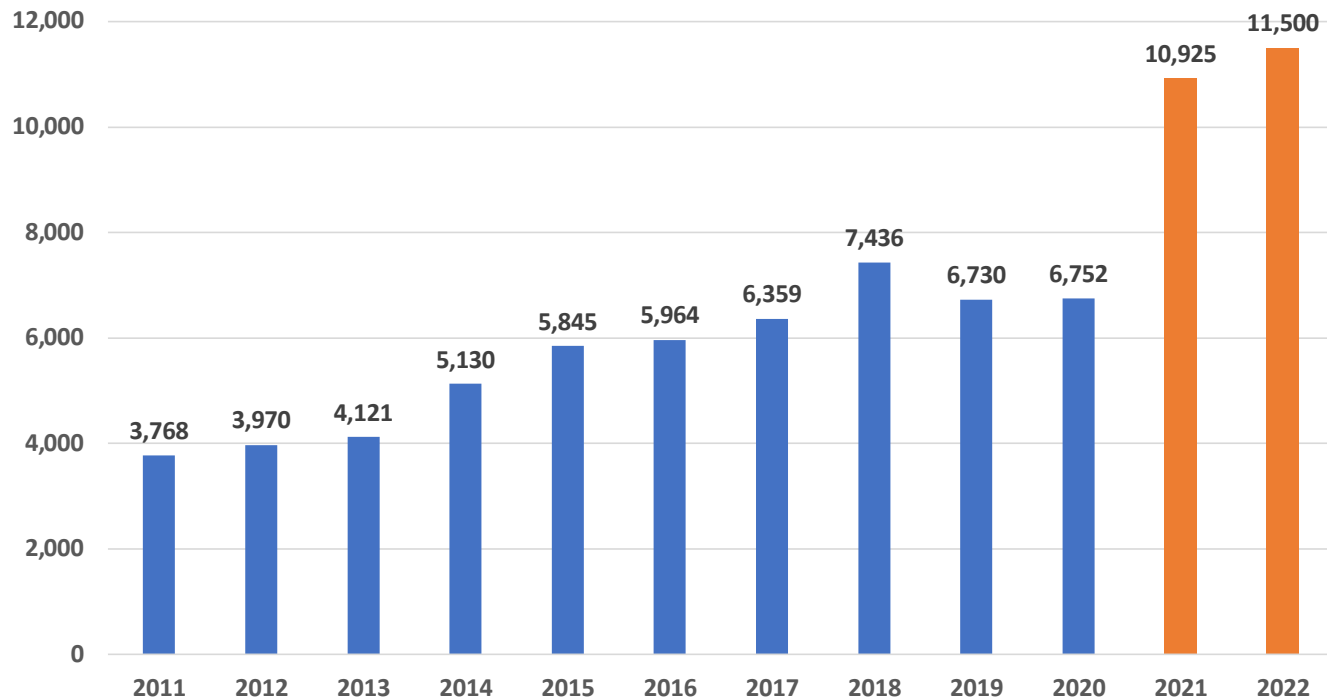


U.S. Voluntary Quit Percentages, Post-Recession



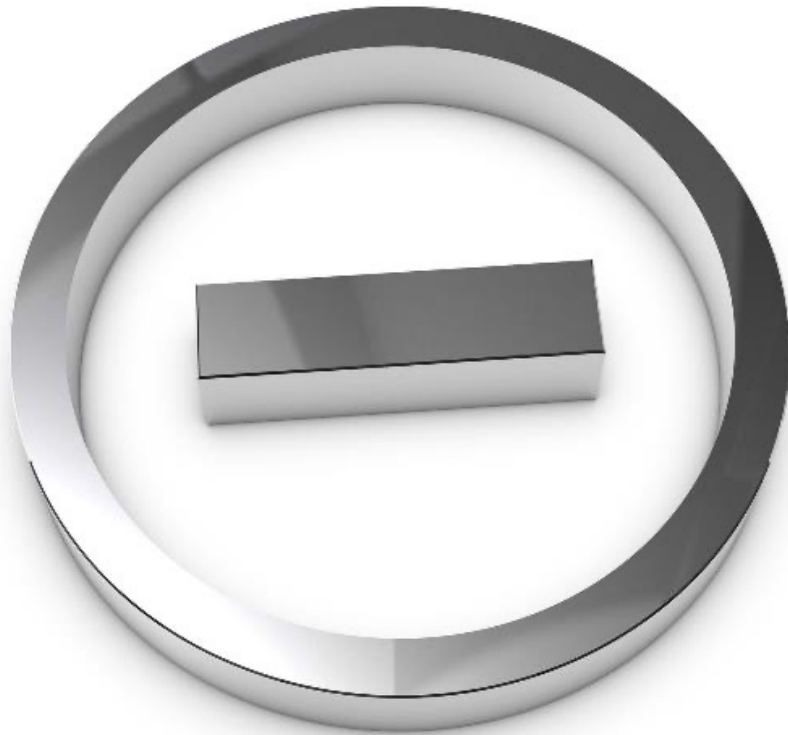
U.S. Job Openings As of 2022

In Thousands



... and we have 6 million fewer people in the workforce

3 Subtractions – Workforce



2 Million + Early Retirements



2 Million + Parents Quit & Stayed Quit



1 Million Covid Deaths



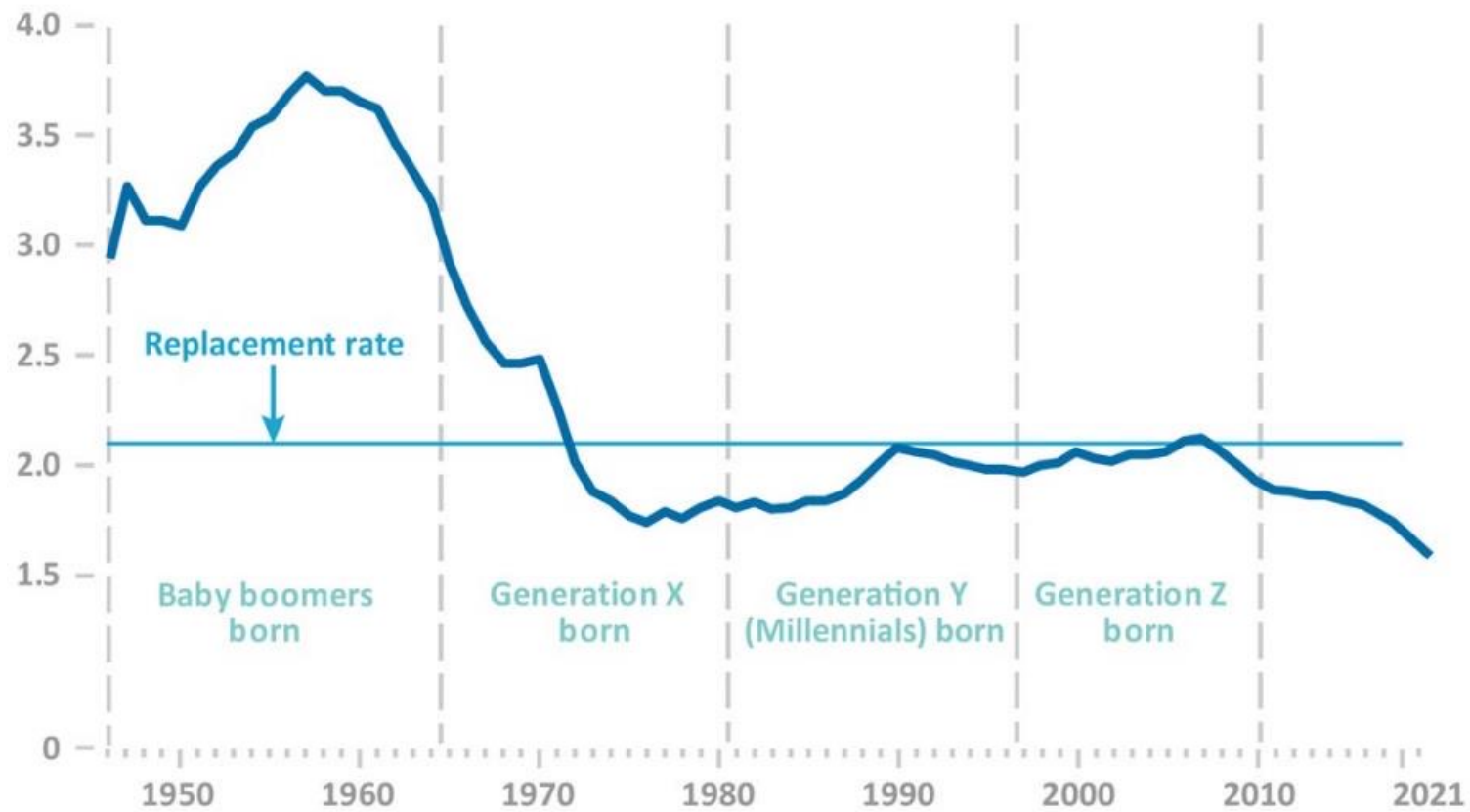
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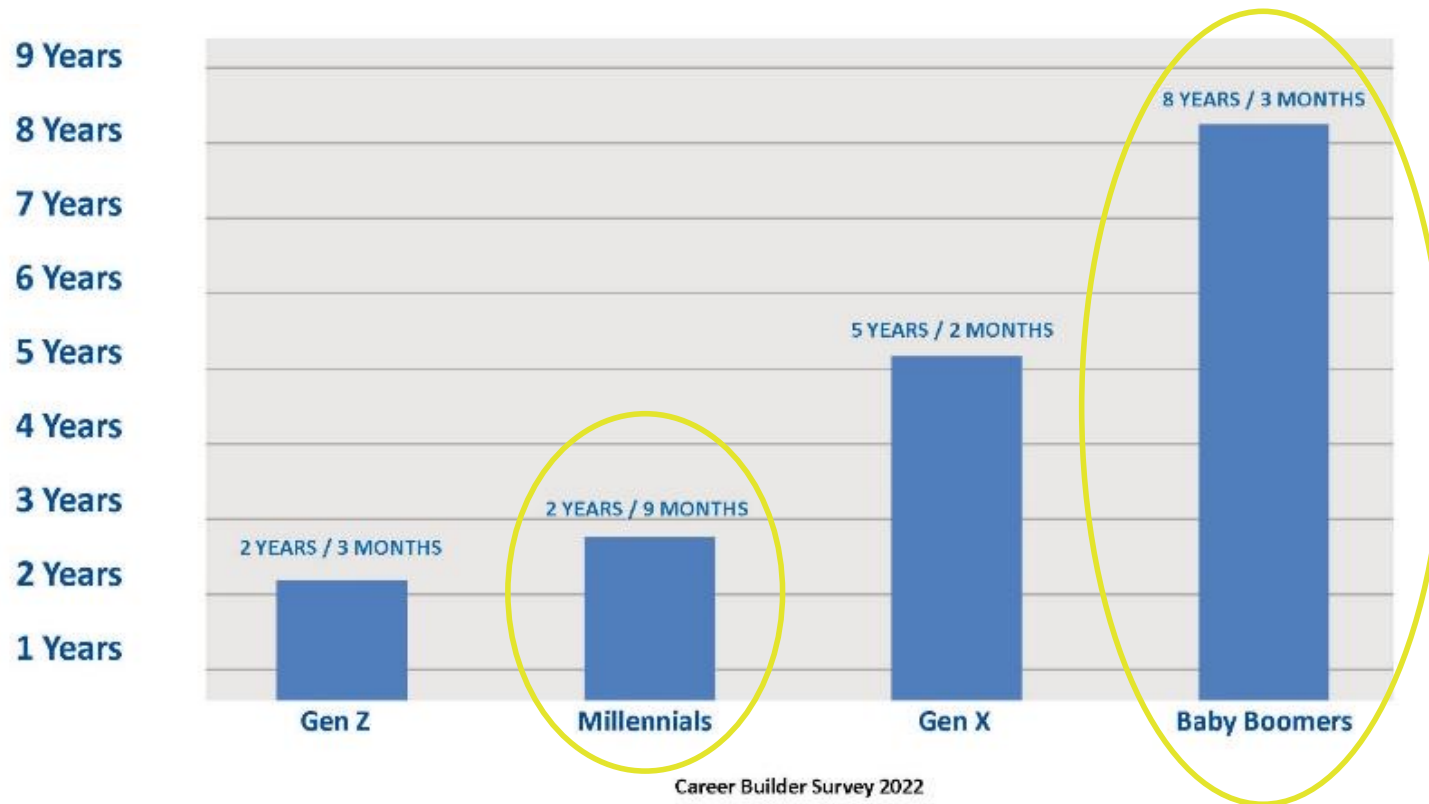
Subtraction 4 - US Birthrate Declines



Subtraction 5 - COVID-Driven Entrepreneurs



Subtraction 6 - Young Workers Less Loyal



Millennials Avg LOS: 2 yrs 9 mos
Baby Boomers Avg LOS: 8 yrs 3 mos



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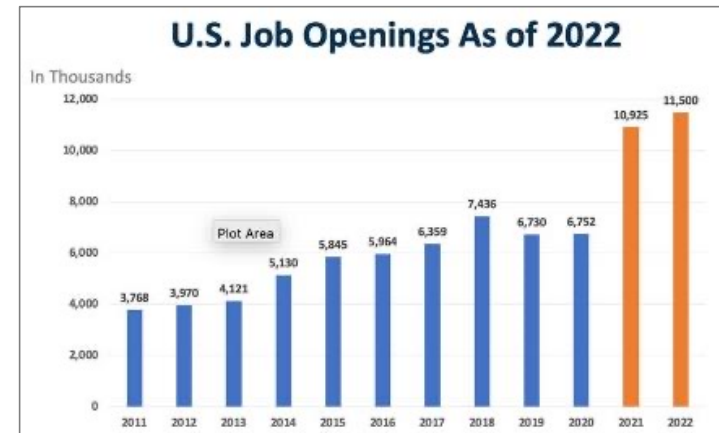
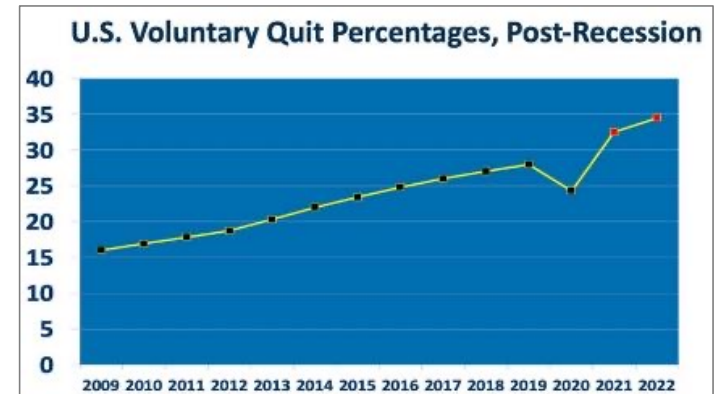
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Six Subtractions Got Us Here

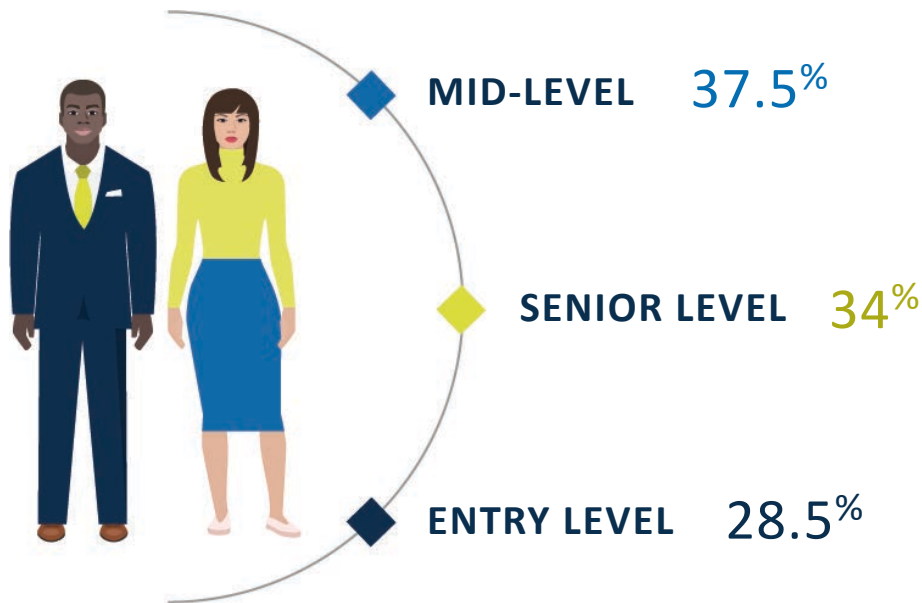
- Early Retirement
- Parents Quit and Stayed Quit
- COVID Deaths
- Declining Birthrate
- COVID-Driven Entrepreneurs
- Young Workers Less Loyal



Resignation Surprise

Mostly Professional Workers Are Quitting

Who is quitting during “The Great Resignation”?



Highest group by length of service:

3-4 years

While millennials stay average of:

2 years 9 months

Greatest leave reasons:

**Control of schedule and
location flexibility**

Sources: AllVoices survey as published by SHRM & Upwork study published by Wall Street Journal

Toxic Corporate Culture

#1

#2

#3

#4

#5

#6

#7

#8

**Why Employees
are Quitting
During “The Great
Resignation”**

MIT Study

#9

#10

#11

#12

#13

#14

#15

#16

Pay

“In 2022, companies plan to give biggest raises in more than a decade”

The Washington Post



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Is “The Great Resignation” Permanent?

“Many expect the labor shortage to last at least several more years, and some say it’s permanent. Of 52 economists surveyed, 22 predicted that participation would never return to its pre-pandemic level.”

– Wall Street Journal

“Economists predict that the Great Resignation is only getting started, especially for Gen Z and millennial workers who are well positioned to find new ways to earn income.”

– Time Magazine

“If immigration does not improve, I’m not sure how we get back to growth”; workforce shortages drive inflation and supply chain woes.

– Burning Glass Economic Think Tank



22%

3 hospitals, 12 post-acute centers

- Cut turnover from **31% to 22%** saving **\$2.8 MM**
- CEO holds each facility accountable to **2 retention goals**
- Strong **emphasis on Stay Interviews** + 1-1 stay plans
- **Pilot projects** to reduce nurse turnover, reduce CNA turnover, reduce spans of control

“Our CEO is locked in on managers developing customized retention plans for each employee.”





WASTE CONNECTIONS, INC.

30%

Materials Recycling Facility

- Employees perform very manual, repetitive jobs, in a recycling facility in Pennsylvania
- Total annual turnover improved by **30%**, decreasing from 83% to 58% in 8 months representing annual savings of **\$240,000** for this one location
- Focused on improving 30-day new hire retention which improved from 67% to 87% representing a **30% improvement**

“The 21 districts we worked with improved at a rate *almost 3 times* the company’s improvement.”

26%

Large Poultry Processor

- Total annual turnover improved by **26%**, decreasing from *137% to 102%* in 6 months representing annual savings of **\$240,000** for this one location
- Focused on improving 30-day new-hire retention which improved from 62% to 75% representing a **20% improvement**
- Implemented a helmet sticker with 2 turnover goals each supervisor agreed to achieve as a **reminder of retention goals** MANY times a day. Now THAT is an **organizational commitment to retention accountability**.

How much would your turnover fall if each of your supervisors were reminded of their retention goal twenty or more times each day?



45%



Healthcare Diagnostics

- Dealing with 50% turnover in patient Customer Service team
- Implemented Stay Interviews to prompt honest conversation and to keep valuable people on the team
- Total annual turnover **reduced by 45%**
- Representing an **annual savings** of more than **\$240,000**
- Featured in NBC News Special Report

“Money was not at the top of my list. What I needed was my supervisor to be more open in her communication and more present in my concerns.”



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43%

Post-Acute Healthcare Center

- Mainly nurses & CNAs, highest healthcare turnover jobs
- **Annual savings \$295,000** by saving 59 jobs annually based on conservative \$5,000 per exit
- Also **saving \$551,096 annually** by eliminating agency costs, down to zero

“We didn't expect how quickly turnover improved and we reduced agency costs to zero.”



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FINNEGAN'S ARROW®



**Reduce Cost
of Turnover**



**Improve Employee
Engagement**



**Improve Revenue
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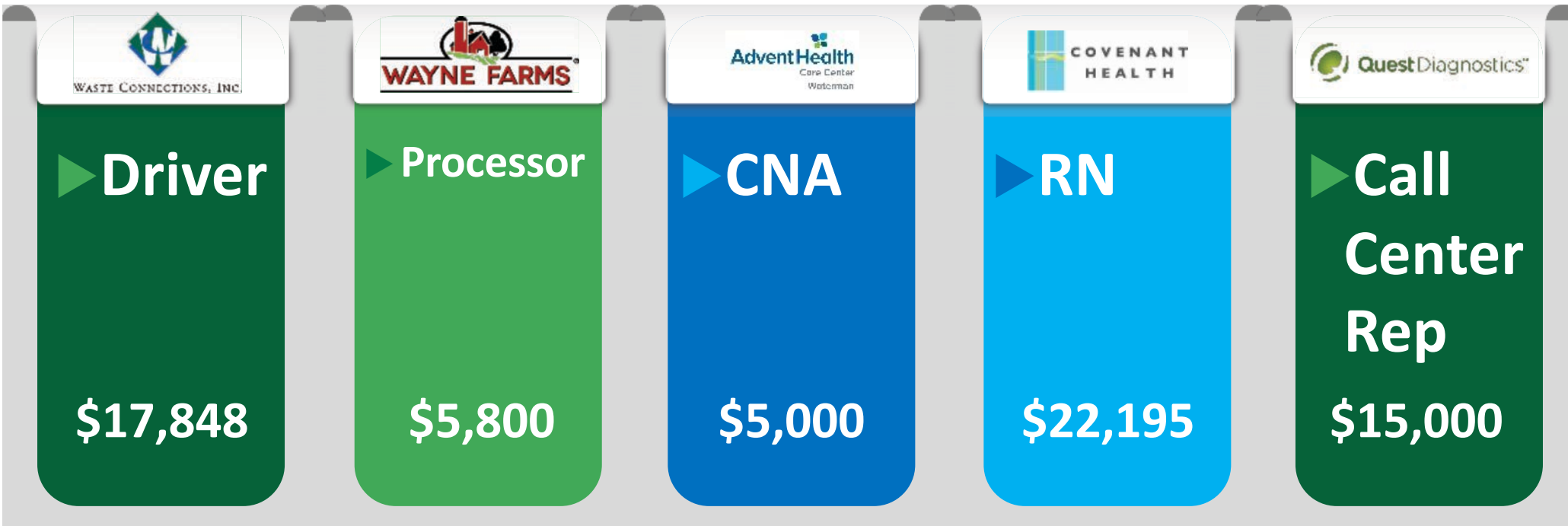
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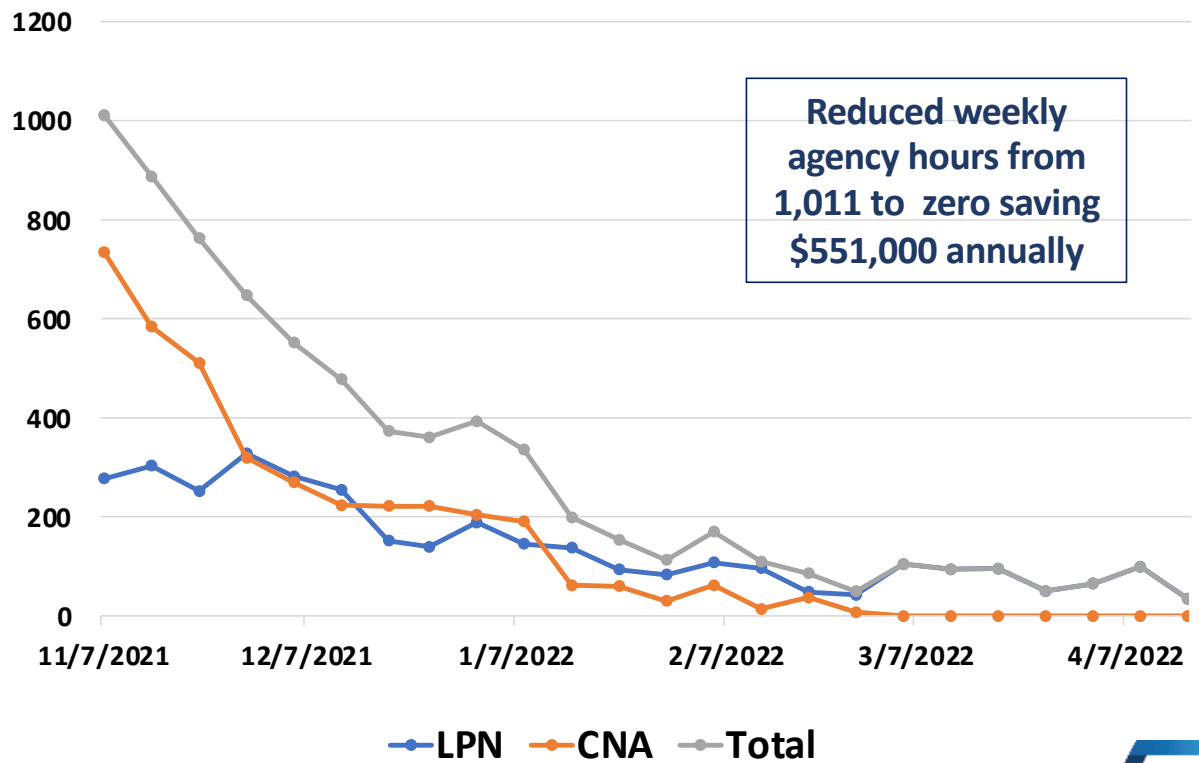
How Important Is Calculating Turnover's Cost?

Cost of Turnover For Just 1 Position:



AdventHealth – ACC Waterman Agency Hours Per Week

Pandemic-era overtime, agency staffing costs U.S. hospitals an extra \$24B per year



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Supervisors' Impact on Turnover

A global consulting firm interviewed 1,000 recently-quit employees and asked about **pay, benefits, development, advancement, and relationships with supervisors**...and found *supervisor relationships influenced all other opinions*, concluding...

“Offering a higher salary or developmental/ advancement opportunity may not be enough to retain employees”



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Accountability: Establish Two Turnover Goals

- ⦿ Reduce total annual turnover
- ⦿ Reduce new hire turnover

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The Power of Stay Interviews

A Stay Interview is a **structured** discussion a **supervisor** conducts with each individual employee to learn the specific actions he must take to strengthen that employee's engagement and retention with the organization

Stay Interviews...

- Bring information that can be used **today**
- Focus on **individual employees** including top performers
- Put **supervisors** in the solution seat



Stay Interview 5 Questions



1. When you travel to work each day, what things do you look forward to?
2. What are you learning here?
3. Why do you stay here?
4. When was the last time you thought about leaving our team? What prompted it?
5. What can I do to make your experience at work better for you?



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In Stay Interviews, what do employees ask for the most?

- More pay
- Development
- Work/life balance
- Better work processes
- Promotions



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What Do Employees Ask For The Most?

Better work processes!

Eliminate this report/improve equipment/get others to be more accountable

Employees most want to be more productive!



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What Do Employees Talk About Over Dinner?

Boss...*Colleagues*...Duties

Boss...*Colleagues*...Duties

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Boss...*Colleagues*...Duties

Boss...*Colleagues*...Duties

Boss...*Colleagues*...Duties

Boss...*Colleagues*...Duties



Forbes

“Dick Finnegan, the Stay Interview expert, writes,

‘The greatest reasons why employees quit is what they talk about over dinner.’

Even those of us who love hard data must acknowledge this, which reinforces the old adage that people don’t quit jobs, they quit bosses. And it is those bosses they talk about over dinner.”

February 19th, 2021



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Supervisors Forecast Retention



● Likely to *leave* in less than 6 months

● Likely to *leave* in 6 – 12 months

● Likely to *stay* a year or more

* Can be changed at any time if new information

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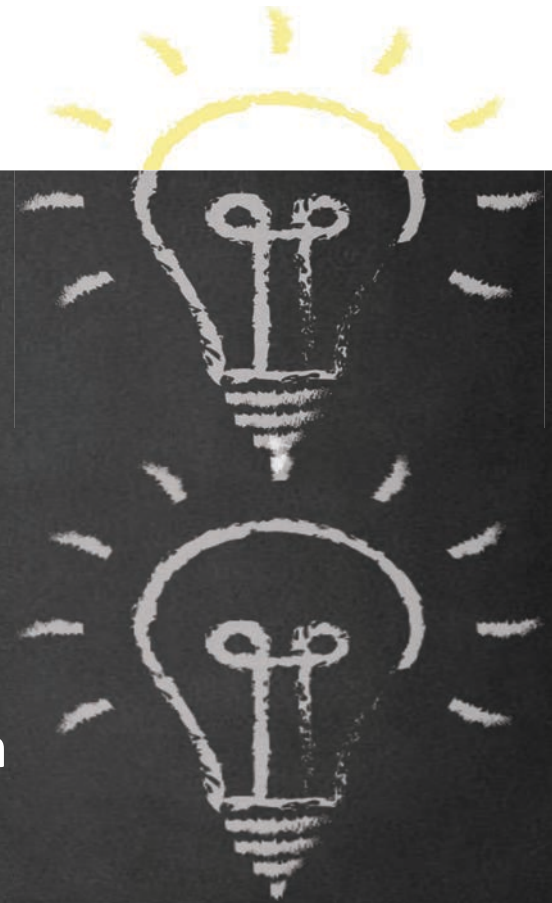
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Great Dane Manufacturing Case Study

- Losing 50% new hires in 60 days
- **Established goal to retain 80% vs 50%**
- Goal owned by recruiters, trainers, team leads, supervisors
- **Team leads do Stay Interviews 5th day/30th day to build immediate trust**
- All accountable meet weekly to review employees in first 60 days + those who left
- **Smashing 80% new-hire retention goal, also annual turnover goal**



5 Extreme Industry Examples – Reducing Turnover 20% & More in 2021



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Book signing starting at 11:40



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**The Great Resignation's Impact
On Employee Retention**



**Free Access to Online
Turnover Cost Calculator**



**Why These 5 Stay Interview
Questions Are All You Need**



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