

Why The 2021 ‘Turnover Tsunami’ Is Happening and What Business Leaders Can Do To Prepare



Much like the stock market, housing market, and other economic industries, the job market has seen its fair share of ups and downs in the past couple of years, particularly 2020, when the pandemic precipitated an economic shutdown that triggered devastating lay-offs around the globe. But even prior to last spring, employers experienced high turnover rates, and experts are now predicting a fresh wave of voluntary departures and resignations. Why?

Indicators for High Turnover

One reason, of course, could be that amidst the economic panic last year, workers were unwilling to sacrifice income security for happier and healthier work environments. After all, better opportunities were suddenly scarce, and many felt it foolhardy to re-enter the job market during a shut-down.

But one of the biggest factors of what business and finance professionals are coining the “turnover tsunami,” is actually pandemic burnout. According to the Human Resource Executive, pandemic stress and uncertainty, working longer hours, lack of HR advocacy, and working from home all contributed (and still do) to workers feeling undervalued and burned out. Working from home, especially, can result in feeling disconnected from company culture and values. Additionally, stimulus checks, unemployment benefits, and vaccinations are paving the way for many Americans who are already in desperate need of a break to take a step back and evaluate their options.

This is a conglomerate of circumstances all happening at the same time: the perfect recipe for a tidal wave of turnovers that may find employers rightfully worried. The Achievers’ Employee Engagement and Retention Report suggests that a stunning 52% of workers plan on looking for new jobs in 2021.

The Price of Turnovers

Turnover is costly: think about the expensive processes behind recruiting, hiring, and training, not to mention the time spent behind each phase of onboarding a new team-member. When an employee leaves, the company not only has to re-distribute duties to other team-members who are undoubtedly reaching their own tolerance thresholds, but the organization as a whole loses a valuable resource, someone who possesses *years* of institutional knowledge.

The first thing for leaders and managers to do is accept that things will look significantly different in a post-pandemic world. People are more energized than ever to make moves and get the ball rolling when they feel they’ve lost an entire year’s worth of progress in their own lives. Businesses should respond accordingly as there is no use in sitting back and hoping for the best; in fact, it’s far more hazardous to take a passive approach in retaining even your most loyal employees. Don’t wait for dissatisfied workers to self-advocate, or worse yet, surprise you with a notice.

Forming Strategies to Stem the Tide

As a leader in your organization or field, you’ve likely heard the word “transparency” more times than you can count. Transparency is one of those words that are so overused without real implementation that it tends to lose its meaning. But really take a moment to evaluate what transparency could mean for your team: having a sincere conversation about company culture and company needs demonstrates that you not only value the performers

responsible for your company's success, but that you're ready to fight to retain them.

Retention surveys are usually the first step to initiating such a conversation. Survey your current employees to identify what's working and what's not. In other words, why have your employees stayed with you thus far? Why might they consider leaving? If you do happen to lose talent, you should be conducting exit interviews if you aren't already. Such data is the essential jumping point in formulating plans and implementing strategies that will make your workplace irresistible to current employees and prospective, talented job-seekers.

Here are other considerations to take into account as you prepare to face high turnover rates:

- When managers find themselves having to re-fill positions, they tend to default to recruiting the same skill sets that were previously successful in that role. However, a more innovative approach would be to identify and cultivate new skills for that role; upskilling can increase the value of that position and also keep top performers in your team engaged. In fact, one of the many reasons people consider leaving is a lack of engagement. Top performers, especially, should feel excited to stay within a company and see growth. Ways to increase engagement include offering exclusive training opportunities, stretch assignments, and having transparent conversations about compensation and benefits.
- Progressive business leaders also stay on top of market trends, comparing their own company's compensation packages to competitive salaries available elsewhere. In preparation for the "turnover tsunami," it's probably time to sit down with your team and re-evaluate whether your benefits packages are equitable, competitive, and honest. Identify the shortcomings and come up with actionable steps to improve your offerings. At this point, budgeting for increases should be one of your highest priorities, incorporating feedback from stakeholders to find out the ways in which you can truly care and advocate for your team.
- Reassess how you conduct retention surveys and exit interviews. In order to better understand the risk for high turnover within your company (or understand the high turnover rates that may

already exist), you may want to think about the power dynamics at play during these conversations. How comfortable do employees feel sharing their true disappointments and frustrations with their managers? Interviews and conversations conducted by third parties, however, may provide your workers with a safe space in which to share serious underlying issues within the team.

A lot of turnover prevention boils down to finding out what your people need. Considering the events of last year, you may want to invest in outside resources that can provide support and mentorship opportunities. And, depending on the size of your organization, coaching and consulting firms can provide the expertise necessary to retain your staff.

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