

The Real Cost of High Employee Turnover

PHILIPPINES, June 3, 2022 /EINPresswire.com/ -- High employee turnover is one of the most crucial concerns of any business of any type or size.

Globally, [more than 50% of the world's top companies](#) have difficulty in retaining their most valuable talent costing an average of 33% of their annual salary when they leave. While large organizations deflect most of the upfront cost of sourcing, hiring, and training new staff, smaller companies with fewer recruitment resources and offer less competitive employment packages struggle and can only dream of maintaining low employee turnover.

THE FINANCIAL IMPACT OF HIGH EMPLOYEE TURNOVER

Retaining your employees is just as important as retaining your customers—because both have a positive impact on your bottom line.

It pays to have a talent strategy that wins the loyalty of your staff. In fact, companies with optimised talent generally:

- Outperform other businesses by 16% in terms of strategic success rates
- Have 30% lower turnover of top performers
- Have 34% higher employee performance, and
- Spend 31% less time on talent issues.

Prolonged high employee turnover can lower your staff's morale, decrease their productivity and, in the long term, adversely diminish your organization's overall competitiveness and profitability.

For example, the estimated cost for replacing one employee with an average salary of \$40,000 is around \$104,000.

Several hidden factors are behind these staggering costs, from sourcing, recruitment, and onboarding expenses to lost productivity and decreased capacity.

And the higher your employee turnover rate is, the more you will have to spend to hire a replacement compared to retaining your current staff.

REDUCING HIGH EMPLOYEE TURNOVER WITH THE RIGHT OUTSOURCING PARTNER

As global talent shortage doubled compared to the last decade, businesses sourced international talent markets to access lower-cost resources, save on operational costs, and increase productivity by building offshore teams in talent-rich countries such as the Philippines.

One good example is a leading US-based Wi-Fi design solutions company, which found an effective solution to lower employee turnover rates and attrition costs altogether through outsourcing.

The US company was initially cautious of outsourcing because of the industry's reported high employee turnover particularly in India, but after thorough research, he saw the long-term benefits of offshoring roles to the Philippines and has since been pleased by the transformative results of building a dedicated team of professionals in Manila.

In addition and beyond the immediate cost savings that come with offshore staff, the company also drives productivity by fully incorporating their Philippine team into their operations at home. Emapta's offshore staffing philosophy "Your Team. Your Way" allows organisations to fashion their Philippine team to their brand, values, and culture thereby achieving unparalleled control and influence over the output of the Philippine team.

Through Emapta's network of extensive candidate sources, the client was able to hire and train top-tier talent in under three weeks. The company was quick to increase productivity and lighten intensive work from its onshore team.

"Because we have hired smart and coachable people in our Manila team with the help of Emapta, their performance has been off the charts. That's how we've been able to cross-train and promote quickly from within."

With the help of Emapta's employee retention strategies, facilities, and benefits program, their employee job satisfaction rates rose to new heights.

"We don't always agree, but we always understand," The company's executive commented on managing his team with Emapta's on-the-ground support. "We always want the best for both companies – and I love that!"

According to [LinkedIn's data analysis on half a billion professionals](#), 10.9 per cent is the normal turnover rate across all industries. With Emapta's low turnover rate of 5.4, the client partner has peace of mind in knowing that its Manila team is taken care of in a setup that's flexible and responsive to their needs. One of the company's leaders remarked, "Our talent has developed the ability to embrace change and thrive in an environment where ambiguity occasionally exists."

In 2030, the global talent shortage is predicted to be at an all-time high, but you can act now to secure the right talent in your company. But replacing your staff is much more expensive

than developing your current employees. This is because there are more costs to consider in employee turnover than simply recruiting and training new hires, which can even hurt your bottom line.

Implementing a solid employee retention strategy will help you preserve knowledge, money, and time in your company. And in their case, complementing this strategy with a cost-efficient solution like outsourcing has paid off to drastically reduce employee turnover rates, leading to a highly committed and competent team.

This article originally appeared in [The Real Cost of High Employee Turnover](#)

Office Manager

Emapta

+1 888-723-5470

[email us here](#)

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