

Loss Control



FARMERS

Information Bulletin

Employee Turnover

The cost involved with the training of new employees is a significant investment for any business. When employee turnover exceeds the industry average, your production costs exceed those of your competition and place pressures on management to increase production from each worker. This added pressure increases the potential workplace accidents or incidents.

As workplace accidents and incidents increase, additional costs are incurred as workers watch the aftermath of the accident, complete additional paperwork for insurance reports, and additional training for corrective actions for the accident. It becomes an endless circle that increases your unit cost of production and makes you less competitive or less profitable than your competitors.

Reducing employee turnover should be one of management's top priorities. Some ways to reduce employee turnover include:

- *Hiring new employees at or above the prevailing wage for the job.*
- *Providing proper training for each employee to reduce the potential of workplace accidents or incidents.*
- *Motivate your workers by creating a work environment that meets their needs as well as supports your business objectives.*

- *Provide employee benefits at or above the industry standard for your type of operation.*
- *Train your supervisors to direct and discipline your employees in a fair and sensitive manner.*
- *Include employees in on decisions related to workplace safety to gain their support for the implementation of needed or required safety policies and procedures.*
- *Consider bonuses for safe work performance over time.*
- *Provide a career path within your organization that is as good or better than your competitors.*

By managing your employee turnover as you would manage any other aspect of your business operations, you increase productivity, reduce the potential for accidents or incidents, and build employee loyalty. You also gain the benefit of improved customer service by the actions of a loyal workforce. These loyal workers become the base for future supervisors and managers who know your operations and know how to continue to build on improved employee work relations.

All of these factors combine into a competitive advantage for your business. Controlling employee turnover is one method of contributing to your business' bottom line profits and building on an investment in your employees as another company asset.