

NEWS RELEASE

Michigan Works! Study Finds Median Cost to Replace a Worker in Oakland County Ranges from \$6,000-\$30,000

WATERFORD, Mich. – Aug. 7, 2019 – Employee turnover costs Oakland County businesses between \$6,000-\$30,000 in lost revenue and productivity, according to a survey released this week by Oakland County Michigan Works!

Turnover has a significant financial impact on Oakland County businesses of all sizes and industries, with a median cost in lost revenue and productivity, coupled with the costs to find, hire and train a new employee, reaching \$6,000 to \$30,000 per person.

“The results of this study are invaluable to businesses throughout our region as this information is not tracked or reported by federal, state or other local entities,” Oakland County Executive Gerald Poisson said. “It provides a picture of the challenges and opportunities employers face in our region and is intended to help our Michigan Works! team better serve employers trying to reduce employee turnover.”

Representatives from Oakland County Michigan Works! and WIN presented the local results at a special briefing for companies throughout the area. Oakland County-based businesses accounted for 224 of the total 612 responses to the study, with most respondents having under 100 employees.

Key information on why employees leave organizations and the potential gaps that exist in the development of career pathways for those with barriers to employment were part of the study of southeast businesses conducted by the Workforce Intelligence Network for Southeast Michigan (WIN), on behalf of the region’s six Michigan Works! Agencies (MWAs).

The study also identified steps the companies are taking to improve employee satisfaction and reduce turnover. Other key Oakland County findings include:

The highest rate of turnover are entry-level, hourly positions. But even occupations in which workers tend to remain with a company for a long-time face challenges keeping jobs filled.

The most common reason cited for employee turnover is a desire for higher pay or benefits, closely followed by transportation, childcare and other personal issues. Other reasons include advancement opportunities, new career paths and poaching.

Competition for a shrinking talent pool in Oakland County is driving changes in the retention strategies for many local employers. Facing fierce competition, they are experimenting with changes in pay, benefits and other workplace features to attract and retain talent.

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“In today’s tight labor market in Oakland County, hiring and retaining quality workers is a top priority for virtually every organization,” said Jennifer Llewellyn, manager of Oakland County Michigan Works! “This study validates many of their concerns with turnover and, more importantly, helps identify the retention strategies that are working for them. Everyone can benefit from these best practices.”

To review the full results of the Oakland County turnover study, visit AdvantageOakland.com and go to the Reports & Publications listing in the Workforce Development area.

Oakland County Michigan Works! is encouraging businesses to participate in its Business Resource Network program, designed to help workers at all levels overcome a range of challenges and achieve their full potential on the job. Success coaches meet with employees privately to connect them with programs and services to address issues related to dependable transportation, affordable childcare, financial stability, medical coverage, affordable senior care and other issues.

“The goal of the Business Resource Network is to provide companies in Oakland County that struggle with employee turnover with resources to help them address some of their team’s most pressing need,” Llewellyn said. “We are actively recruiting companies to join the program now.”

Additional tools offered by Oakland County to assist businesses in being more employee-centric include the Business of Leadership workshop series, designed to help leaders with communications, performance management, situational leadership, problem solving and effective decision making. The county’s Business Performance Assessment survey is designed to help a company’s management team and/or employees evaluate business assumptions, identify potential issues and employee satisfaction. Interested companies should contact Greg Doyle, supervisor of the Oakland County One Stop Shop Business Center, at (248) 858-2087.

About the Workforce Intelligence Network:

The Workforce Intelligence Network for Southeast Michigan (WIN) helps cultivate a cohesive talent system by facilitating data-driven workforce solutions to ensure responsiveness to changing labor market demands. WIN is a partnership of 10 community colleges and six Michigan Works! Agencies in southeast Michigan. It specializes in fostering collaboration among talent partners, including workforce development, community colleges, four-year post-secondary institutions, K-12 schools, economic development organizations, government, community-based organizations, employers and others.

About Oakland County Michigan Works:

Oakland County Michigan Works! provides a variety of services to businesses and individuals through its network of five offices located in Novi, Oak Park, Pontiac, Southfield and Troy. A new office in Waterford is opening soon. Business services focus on recruiting and retaining talent, no-cost training and hiring support, and providing labor market information. Individuals use the offices for assistance with job searches, education and training programs, and career management counseling. Combined, the Oakland County Michigan Works! offices serve more than 40,000 people per year. For more information, visit OaklandCountyMiWorks.com, or call 1-800-285-WORKS.

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