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Managing employee retention and turnover with 21st century ideas

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From the second decade of this century and into the foreseeable future, employee turnover remains a dominant concern for managers and executives. In 2016, for example, the Society for Human Resource Management (SHRM) reports that 46% of HR managers deem employee turnover as their top concern, up from 25% in 2013 (*Influencing Workplace Culture through Employee Recognition and Other Efforts*). Research by Professors Alex Rubenstein, Peter Hom and their colleagues informs us that replacing employees who quit can cost upwards of 200% of annual salary to recruit, hire and

on-board new employees (see Selected bibliography 2 and 8). Further, personnel losses can alienate customers (by disrupting service delivery), reduce firm performance (as departing staff take their talents and know-how to competitors), hinder workforce diversity (as exiting women and people of color shrink the pipeline for executive succession), and demoralize remaining employees (by expanding their workload to pick up the quitters’ work and train their replacements). Finally, a single employee’s quitting can inspire others to quit, setting off a turnover spiral.

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Looking ahead, employee turnover is poised to become even *more challenging* to managers and executives. In 2017, for instance, Gallup reports that (1) “U.S. Workers: [are] increasingly confident and ready to leave [their jobs];” (2) “51% of U.S. employees say that they are actively looking for a new job or watching for openings;” (3) three million Americans left their jobs in August 2016, compared to 2.1 million in August 2012; and (4) compared to 19% in 2012, 42% of U.S. employees in 2016 say that it is a good time to find a quality job (*State of the American Workplace*). Indeed, Gallup estimates that 60% of all Millennials are “currently looking for new employment opportunities” in 2017 (*How Millennials Want to Work and Live*). Preventing unwanted turnover becomes ever-more critical in the knowledge industries as the *New York Times* reports that graduate programs in science, technology, engineering and mathematics (a.k.a., STEM) “shed women the way trees on campus lose their leaves in the fall” (*International New York Times*, March 5, 2016).

When findings of SHRM, Gallup, NYT, and organizational scholars are considered together, it behooves business leaders to become knowledgeable about the latest thinking and research on employee retention and turnover. With this article, we provide the foundation for managerial insights on turnover by drawing on evidence from over two thousand studies to describe the most current, evidence-based ideas and frameworks on employees’ staying or leaving their jobs.

Per the reports, articles and academic research mentioned above (and elsewhere), managing voluntary employee turnover is universally proclaimed as more challenging for managers and executives than other forms of leaving such as layoffs or terminations (though these topics are certainly important as well). After all, they mandate who is laid off or fired but have less control over employees’ decisions to quit. Thus, we focus on how managers can effectively handle voluntary turnover, which is defined as employees’ volitional cessation of their membership in an organization or place of employment. To begin, we briefly review some older but still useful ideas from the 20th century.

20TH CENTURY IDEAS

By the end of the 20th century, a well-documented, generally valid but perhaps underwhelming statement on voluntary turnover was: *if you don’t like your job and have somewhere else to go, the likelihood of an employee quitting goes up*. The converse for volitional staying may be equally obvious: *if you like your job and have nowhere else to go, the likelihood of an employee quitting goes down*. To be fair, these ideas were “cutting edge” forty years ago and dominated academic research and managerial thinking on turnover during the last two decades of the 20th century.

Some Key Ideas on Turnover and a Few Numbers

Job satisfaction and job alternatives

Embedded in the above statements, two simple but important ideas merit mention. First, liking or (not liking) your job means job satisfaction (or dissatisfaction), and from the

various forms of job attitudes, a simple yet powerful idea is that satisfaction is a frequent and direct outcome of many newer (but narrower) management ideas like employee engagement, empowerment and justice perceptions. Job satisfaction has been the most studied turnover cause (with over 174 studies) in the 20th century, though only modestly correlating (e.g., $-.28$) with voluntary employee turnover. Indeed, job satisfaction is so central to how we think about turnover that it might well be called the “cardinal job attitude” and prime antecedent to employee turnover. Second, having an alternative job, either actual or perceived, is also a frequently investigated (with at least 79 studies) but modest cause of employee turnover (e.g., correlating $.23$ with quits).

Other attitudes and thoughts about leaving

Given the modest predictability of job attitudes and alternatives, organizational scholars vigorously sought to identify other turnover causes. Most notably, researchers find that employees’ general desire to leave (i.e., “general withdrawal cognitions”) (e.g., correlating $.56$ with turnover) or specific intentions to quit can also foreshadow their actual leaving. Besides job satisfaction, other scholars documented that organizational commitment—an attitude toward the overall organization rather than the job per se—can lessen job quits (e.g., correlating $-.29$ with turnover).

Behavioral indicators of turnover

Not surprisingly, employees actively looking for other employment (i.e., job search) or frequently avoiding the workplace (e.g., absences, taking extended breaks) tend to quit the workplace permanently as well. Along these lines, one’s job performance can provide clues about eventual employee departures, especially “dysfunctional turnover” when quitting by valued employees can most damage companies. Studies have shown that low performers (because they are denied rewards or fear potential dismissal) and high performers (because they have more options) more often quit than moderate performers.

On-boarding, supervisors and non-work alternatives

In addition, on-boarding activities are crucial for stemming quits among new hires who are most quit prone primarily because they fail to “learn the ropes” or find that organizational realities are worse than they had initially expected (an effect aptly known as the “honeymoon-hangover effect”). Further, certain job characteristics can lessen quits, such as meaningful work (“that makes a difference”) over which incumbents have control and where they can learn new skills. Beyond this, at-work relationships matter as employees dislike abandoning companies where superiors are compassionate and fair-minded. Despite the centrality of job alternatives in turnover theory and research, contemporary scholars report that many leavers take on other valued life roles rather than another job when exiting (e.g., full-time parenting or schooling). Indeed, a job’s interference with employees’ ability to participate in key roles outside work (e.g., recreational pursuits, church activities and volunteer work), due perhaps to excessive work demands or work hours, can prompt them to seek alternative jobs that enable them to participate in such outside roles.

Employee recruitment and selection

Apart from testing turnover models or predictors, turnover researchers have long established that recruitment and selection practices can affect turnover. In particular, realistic job previews—or comprehensive and candid descriptions of the job—delivered to recruits or new employees can improve retention during the early period of employment when turnover risks are greatest. Moreover, firms might use personality tests and employment interviews to assess person-job or person-organization fit as misfitting newcomers more likely quit. Further, employers can examine biographic characteristics of their employees (which school they had attended, frequency of prior turnover), contrasting those who stay versus those who leave. By identifying leavers' biographical profile, firms can determine which job applicants are prone to leave (and thus would be excluded from hiring) because they resemble such leavers. To illustrate, Eli Lilly used biodata to hire successful, and more stable pharmaceutical salespersons in China.

By the End of the 20th Century

Given the legacy of the voluminous turnover research (especially during the last 25 years of the 20th century), many companies now regularly survey employees to track well-documented predictors like job satisfaction (or satisfaction with specific job features), organizational commitment, withdrawal cognitions, and employee engagement. Based on survey data, firms can proactively improve working conditions (e.g., expand training opportunities) to prevent future turnover because low job attitudes (e.g., dissatisfaction with training) may prompt dissatisfied employees to leave. For example, Raytheon managers can “drill-down” to various levels of detail (e.g., business unit, location) to examine summary survey data. Moreover, some large corporations (e.g., Ford Motor Company) use statistical regression models based on personnel records to represent established turnover antecedents (e.g., performance rating, pay, promotion rate) to project employees' quit propensity, targeting those at risk of leaving for special monitoring or intervention. Focusing on dysfunctional turnover, the Attrition and Retention Consortium (ARC, comprising firms such as John Deere, AllState, and Lockheed Martin) provide pooled statistics among quit rates for ARC members so that they can benchmark how well they retain employees who are high performers or possess critical STEM skills or who represent underrepresented minorities (e.g., African American female executives).

21ST CENTURY IDEAS AND ISSUES

A prime reason that turnover and retention are increasingly pressing issues to managers and executives is that employees themselves are changing and that what traditionally kept them loyal may prove less effective now. In 2017, for example, Gallup reports: (1) only “33% of US workers are engaged in their work”; (2) “35% of US workers report changing jobs within the last 3 years”; (3) “60% of employees say the ability to do what they do best in a role is ‘very important’ to

them”; (4) only “12% of employees strongly agree their organization does a great job at onboarding new employees”; and (5) “51% of employees say they would change jobs for one that offers flexible work time” (*State of the American Workplace*). With respect to Millennials, who now form the largest group in the U.S. workforce, Gallup reports: (1) Millennials don't just work for a paycheck — they want purpose; (2) Millennials are not pursuing job satisfaction — they are pursuing development; (3) Millennials don't want bosses — they want coaches; (4) Millennials don't want annual reviews — they want ongoing conversations; (5) Millennials don't want to fix their weaknesses — they want to develop strengths; and (6) It's not just my job — it's my life (*How Millennials Want to Work and Live*).

A simple but powerful take away message on the contemporary work force is that remedies for improving retention based on traditional turnover research assume that employees will remain loyal (indefinitely) as long as employers keep them happy and provide more satisfactory conditions than other firms. Yet, the Gallup Reports suggest that employees (particularly Millennials) may not plan to stay long-term in a particular job — even otherwise satisfying ones (given their greater wanderlust) — while demanding that employers help them cultivate their skills (e.g., greater development opportunities, mentoring) that enhance their career progress, including the ability to move to other firms. Whereas previous turnover theory ignored or deemphasized job interference with other life roles, Millennials will not stay long-term if their current job threatens other life goals (e.g., fulfilling an avocation, parental roles or volunteer work).

More than an Annual Survey

Many managers and executives realize that an annual survey may not provide sufficient or timely intelligence about potential turnover. Critical events at workplaces can occur suddenly, such as departure of a beloved leader, termination of desired benefits (e.g., eliminating tuition reimbursement), or massive layoffs of colleagues. Such “shocks” can induce significant changes in employees' feelings (e.g., mood), attitudes (e.g., satisfaction), or *thoughts about leaving* that ultimately lead to greater turnover. Unfortunately, one-time surveys poorly capture such events and thus the “effects of momentum” that they trigger. For example, consider a standard 7-point response scale to a job satisfaction measure on an annual survey. Suppose one employee (A) changes from 3 in 2016 to 5 in 2017 (an increase of two points from somewhat dissatisfied to somewhat satisfied), whereas another employee (B) changes from 7 in 2016 to 5 in 2017 (a decrease of two points from strongly satisfied to somewhat satisfied). The annual employee attitude survey in 2017 would show both employees as having a 5 on job satisfaction, and a reasonable inference is that they are equally predisposed to stay (or leave). However, turnover researchers now know that the quit propensity of employees A and B markedly differ, even though both are currently measured as 5, because their satisfaction changed in different directions over time. In other words, how satisfaction *changes* over time greatly affects one's propensity to leave; thus, momentum matters.

In a worst case scenario, employee B above might have already quit by the time the 2017 employee survey is conducted. The kinds of “shocks” described earlier might move an employee, who had been satisfied, to a serious reconsideration of their attachment to the job within a short period of time. For example, when a close colleague quits, even a satisfied employee might seriously contemplate researching job alternatives; they might even follow the colleague to their new place of employment. Such changes can occur so suddenly that an annual survey would not capture them, and managers might be blindsided by the employee quitting.

To enhance the usefulness of the company survey by assessing employee momentum and sudden changes, managers and executives should consider bi- or tri-annual surveys. It may be even more effective – particularly in larger companies – to conduct multiple shorter follow-up surveys to different parts of the firm. SAP, for example, recommends using a stratified sample (a smaller sample representative of the larger organization in terms of key demographics) for each survey to prevent survey fatigue. Our point is that an annual or even biannual employee survey offers limited information. Employee data that captures changes over time more frequently is now needed to understand, predict and manage employee turnover and retention.

What Should be Measured in Company Surveys?

In line with the research evidence mentioned above, we recommend that the traditional turnover causes of satisfaction (overall or satisfaction with specific facets of the job like supervision, promotion opportunities, the work itself, pay, etc.) or commitment (to the organization or team) be measured. Because satisfaction and commitment highly correlate (e.g., in the range of .50–.80) and because long surveys are impractical, we advise one or the other be measured. If not overly sensitive, moreover, job alternatives (perhaps, listing key firms competing for the same employees) and general withdrawal tendencies (e.g., thoughts of leaving, actual job search and intentions to leave) should be measured as well.

A relatively new idea that we recommend be measured is job embeddedness (JE). Currently, 29 studies find, for example, that its overall correlation with turnover is $-.26$. Most important, JE is documented to improve the prediction of employee turnover and retention beyond that of the traditional predictors like job satisfaction. Job embeddedness is defined as the summation of the many factors in an employee’s life that prompt him or her to stay. Whereas traditional turnover theory emphasizes *internal* mental and emotional causes, JE reflects *environmental* (or external) forces inducing employees to stay.

Job embeddedness comprises three components: *fit*, *links* and *sacrifice*, which apply to both the employee’s *workplace* and *community outside of work* (i.e., city, neighborhood, friends and family). Fit refers to the employee’s judgment that he or she is compatible with the organization and community in which she or he works and lives. For example, a person may self-identify as a world-class project engineer, and as long as he or she works

on challenging engineering projects, that person fits well in the organization and has an embedding prompt to stay. In contrast, another person may self-identify as having liberal opinions and attitudes who loves having large mountains, old growth forests and large bodies of water close to where she or he lives. If that person lives in a conservative community that is in a flat grassland environment, he or she may not feel compatible with the community. Thus, that person has one less embedding force operating on him or her to stay.

Links refers to the number and nature of ties or connections to other people, groups and organizations at work and in the community. The more high-quality links one has, the greater is the likelihood that one stays. For instance, a project engineer may want to leave for an organization offering more challenging projects, but quitting may mean leaving co-workers not only short-staffed but putting the project months behind schedule as well. That project engineer can, of course, quit the job, but not wanting to leave co-workers in a jam is likely an embedding prompt to stay. One can imagine, moreover, a highly artistic person who works in a routine and repetitive job within a rural community that has a large number of family and friends living nearby. Although he or she may want another job that allows greater artistic expression, that person may hesitate to leave for a better fitting job that entails relocating to an urban center away from family and friends.

Sacrifice refers to what an employee must give up if she or he quits. For example, a commonly heard reason to stay is that quitting entails giving up too much accumulated vacation time. The senior author vividly recalls a conversation with a manager who had 20 years with the company. The manager said that quitting would be difficult because it would entail foregoing his six weeks of annual vacation to start a new job with the standard two weeks of vacation a year. “Giving up four weeks of vacation a year is not something one does lightly.” In the military context, for instance, recent research shows that U.S. Air Force Officers with 20 years of service who like the communities in which they currently live often retire rather than accept a relocation (or transfer) to another community. To them, the sacrifice of leaving a beloved community is simply too great.

Recent thinking on job embeddedness differentiates between an employee’s embeddedness in the community versus his or her family’s embeddedness. That is, an employee may stay in a disagreeable job or community because his or her family is embedded in the job or community. Families can themselves be embedded in the job because they befriend organizational members or derive benefits from the organization (e.g., health benefits for employees’ family). Families can also be embedded in the community, such as a spouse having an attractive job, children attending good schools, and relatives (e.g., grandparents, siblings) living nearby (who can frequently babysit the kids). Employees may thus stay for the sake of their families who are otherwise embedded in the local community or job.

When considered together, fit, links and sacrifice in the organization and community does *not* mean that an employee must stay. Instead, these ideas represent forces that operate on the employees that prompt them to stay. In other words, individual embedding factors make leaving a little harder. It is their cumulative effects that result in,

however, a greater likelihood of employees' staying. For the manager, taking advantage of job embeddedness requires knowing what the embedding factors are in your company and community, what factors are most salient in your workforce, making these factors salient to the employee and his or her family (e.g., help the family find desirable schools in the community, help the spouse pursue local job opportunities), and hiring employees who are likely to be embedded (e.g., highlight desirable embedding features of the job or geographic location while recruiting, assess fit during selection).

PSYCHOLOGICAL WITHDRAWAL STATES THEORY

Though informative, most scholars and business leaders typically focus on how stayers differ from leavers to identify what causes the latter to voluntarily quit and thus what can be done to prevent their leaving. Professors Peter Hom, Terry Mitchell, Tom Lee and Rodger Griffith warn that such simplistic comparisons ignore differences among stayers and among leavers (see Selected bibliography 3). Instead, they expound upon four categories (or psychological states or mindsets) among employees (see Selected bibliography 3). Specifically, they propose that managers and researchers consider (1) enthusiastic stayers (who want to stay and can stay), (2) enthusiastic leavers (who want to leave and can leave), (3) reluctant stayers (who want to leave but must stay) and (4) reluctant leavers (who want to stay but must leave).

In particular, Professor Hom and associates believe that most of us think about *enthusiastic* stayers and leavers (which assumes employees leave or stay as they wish), but neglect *reluctant* stayers and leavers (Selected bibliography 3). The omission of reluctant stayers and leavers from our thinking and actions degrades our predictions and understanding of employee turnover and retention. Instead, the consideration of the full spectrum of leaving and staying helps us better predict their turnover and a host of other workplace behaviors. Professor Hom and colleagues theorize that identifying the reasons why people stay can help us predict what kind of stayers they will be and how long they will stay.

Moreover, this theory cautions against unwittingly embedding all employees because over-embedding some employees (those who misfit their job) can generate "reluctant staying" that can result in dysfunctional outcomes for firms and employees (e.g., an employee who is not motivated by his work might stay only because they do not want to forego accrued retirement benefits; as a result they might simply 'go through the motions' as opposed to being proactive and engaged contributors to their workplace). Further, Professor Hom and associates remind employers that some forms of "voluntary" turnover (those not due to dismissals or layoffs) may be beyond their control (such as turnover due to spousal relocations or full-time care for dependents). Employers nonetheless can be mindful of such turnover and prepare for disruptions caused by such turnover (e.g., train others to assume leavers' workload, absorb the tacit knowledge possessed by leavers). Amazon, for instance, asks employees (including engineers, data scientists, economic

scientists, etc.) to carefully document their projects after completion (and managers need to review and approve of the documentation). In this way, the new employees filling in vacancies can more quickly learn the ropes; thus, the disruption and loss of knowledge caused by the departure of employees is minimized.

Enthusiastic Stayers ("I Want to Stay and I Can Stay")

Enthusiastic stayers want to stay and feel that they can stay. Many enthusiastic stayers want to spend their entire career with one company. The mindsets of these people are job satisfied, organizationally committed, and job embedded. They fit with their job and community; they have friends on the job and in the community; and they would incur substantial sacrifices if they left. Moreover, they conform to the conventional wisdom that satisfied people want to stay in the organization as good employees. These are "ideal" employees.

Because their mindset can change over time, it is vital that firms remain alert to such changes, such as employees who were formerly enthusiastic stayers becoming enthusiastic leavers. According to Professor Tim Gardner, managers can infer impending turnover by noticing various behavioral cues (a.k.a., "turnover cues") emitted by prospective leavers, such as declining performance, griping more often about the job, taking extended rest and lunch breaks, and expressing less enthusiasm for the organization's mission (see Selected bibliography 1). Should they end up in one of the three other states, our discussion below addresses how managers can better manage them.

Enthusiastic Leavers (I Want to Leave and I Can Leave)

Enthusiastic leavers want to leave and feel that they can leave. The mindsets of these people are dissatisfied with job, not committed to the organization, and not embedded. They do not fit with their job and community; they have few friends on the job and in the community; and they would incur fewer sacrifices if they left. They conform to the conventional wisdom that dissatisfied people want to leave the organization as disengaged employees. Going beyond conventional wisdom about turnover, Professors Tom Lee and Terry Mitchell propose an "unfolding model" of voluntary turnover that helps identify different types of enthusiastic leavers (see Selected bibliography 5). They conceptualize *four* paths to turnover, of which one (Path 4) is the traditional dissatisfaction-based leaving (i.e., representing the conventional reasons for turnover). Three alternative paths are triggered by various shocks, which are jarring events (at work or elsewhere) that evoke thoughts of leaving.

Path 1 occurs when a shock activates a preexisting plan. For instance, the senior author planned to quit his job after gaining three years of corporate experience to earn a PhD in management. He enacted the plan upon notification of admission to business school (the *shock*). (Whether wise or not, the first author gave his boss 9 months advanced notice of the departure.) A woman may plan to leave the job upon the birth of her baby and become a "stay at home mom." The

plan may be enacted upon learning she is pregnant or completion of her maternity leave. A husband may plan to quit his job upon his wife's matriculation into medical school (e.g., becomes a trailing spouse). The plan is enacted upon the couple's relocation to the community in which the medical school is located.

Path 2 occurs when an abhorrent workplace event, which is the shock, prompts immediate quitting. For example, a supervisor might order a subordinate to perform an illegal act like toxic dumping or insider trading, and the employee, who feels great outrage, soon resigns instead of committing these actions. As another example, an employee who we once knew learned quite suddenly that he was re-assigned to another supervisor effective immediately. In response, the employee felt so offended by the reassignment that he returned to his office, packed his personal belongings into a cardboard box, sent a resignation via email and left the building all within 30 minutes.

In Path 3, incumbents may quit when they receive outside job offers or strong feelers (e.g., unexpected invitation to apply for an attractive job opportunity) that cause them to question their current job commitment. In these three paths, a shock induces thoughts of quitting. After such thoughts, however, it is important to note that a decision not to quit may result as well.

How to Manage Enthusiastic Leaving (If Dysfunctional or Costly)

As noted above, monitoring job satisfaction (and which features of the job are dissatisfying) via surveys (and ameliorating poor working conditions) is a time-honored approach for curbing Path 4 turnover. Given the emerging research on how shocks often drive turnover, managers must also keep abreast of shocks as well. What is easiest for managers to monitor might be impending *large-scale* negative work events that initiate Path 2 turnover, such as significant staff layoffs, departures of senior leaders, major across-the-board cuts in pay or benefits, annual performance reviews (especially negative appraisals) or sales of business units (divestitures). Managers should anticipate how such events can prompt unwanted turnover and be prepared to address employees' concerns (e.g., allaying worries about job security or future career progress), including explaining (or justifying) the decisions behind such shocks (e.g., how layoffs can ensure the long-term viability of the firm and job security for "survivors"). Managers should effectively explain why employees (especially valued ones) should stay despite such shocks (e.g., shocks are temporary or may even enhance employees' careers by opening new opportunities).

For Path 3 shocks (i.e., unsolicited job offers), managers must be prepared to make counteroffers if valued employees are courted by other firms. Perhaps, managers might be given a budget for rapid responses to external pay increases or authority to upgrade job title or duties such that they can nimbly fend off competitors (rather than go through bureaucratic steps to enhance the working conditions of potentially poached employees). Managers might be trained to carry out "stay interviews" (e.g., "What can I do to make you stay?") in order to better meet employees' demands and persuade them to stay.

All the same, Professor Tim Gardner warns that such tactics, which he termed "employee guarding"—or managerial tactics to counteract poaching by other firms, such as persuasion (using arguments or enticements) and nurturing (behaving as a more considerate and caring manager)—may prove ineffective (see Selected bibliography 1). By the time managers learn about such poaching, employees are already committed to leaving despite "late" attempts to give them a better deal or improve how they are mentored.

Keeping abreast of Path 1 shocks is most challenging as employees who follow this turnover path often are prompted by events *outside* the workplace, such as a relocating spouse or pregnancy. Perhaps, what managers can do is let valued employees know that they (or the firm) can and will accommodate to keep them. For example, Intel kept one of its prized employees from quitting by allowing her to telecommute long distance after she opted to follow her relocating husband.

Reluctant Leavers ("I Want to Stay but I Must Leave")

Reluctant leavers prefer to stay but perceive low control over staying. They want to stay as much as enthusiastic stayers but expect to have to leave in the near future. In addition to abusive supervisors or bullying co-workers that informally signal employees to leave, for example, reluctant leavers may also feel pressure from others outside the organization. They may leave to care for an aging parent or follow a spouse who wants to raise their children in another community. Path 1 of the unfolding model (described above) could be taken by a reluctant leaver where the employee is satisfied with their work environment, but has to quit, for instance, for non-work reasons. From a personal example, one of the authors' children's 1st grade teacher quit a well-loved job and school, but chose to do so to allow her husband to pursue an out of state career opportunity — she was a reluctant leaver. New theories of turnover and job embeddedness increasingly recognize how external social forces, such as family demands (or obligations) can pressure employees to stay or leave. Because they share an intrinsic desire to stay, like enthusiastic stayers, the mindsets of reluctant leavers are likely satisfied with their job, committed to their organization, and embedded on- and off-the-job. Nonetheless, they do expect to leave the organization soon. With such *positive* attitudes, reluctant leavers who do leave weaken the often-theorized relationship between job satisfaction and turnover.

How to Manage Reluctant Leavers

Although challenging to prevent, employers might try to counteract certain external pressures. For example, the U.S. military has long tried to address the needs of soldiers' families because family relocations or military deployments can affect family well-being and welfare. Similarly, multinationals have long helped prepare families of expatriates for offshore assignments to forestall family distress or maladjustments that prompt an employee's early repatriation home. Managers may ask employees about such external pressures and how they can help address the root causes of

such pressures. To illustrate, spouses may pressure employees to quit due to their excessive work hours or business travel (e.g., limiting employees' ability to perform household chores or participate in family activities). Perhaps, employers can help them better manage work-family conflicts (and thus countering spousal pressures) by reducing employees' overtime or allowing them to telecommute. While exit interviews may reveal such external pressures, it is worth noting that exiting employees may often blame external circumstances for leaving because it is a more "socially desirable" response than blaming the firm or the immediate boss. After all, leavers don't want to "burn their bridges" as they rely on their current boss for good references. To increase the likelihood of honest answers, managers might consider hiring external consultants or contractors (e.g., organizational or counseling psychologists, or their graduate students if cost is an issue) to conduct exit interviews for those persons who they would like to retain (e.g., high performing or difficult/costly to replace employees). But, of course, while exit interviews are important to help retain current valuable employees, they cannot prevent the departure of the employee who is being interviewed elsewhere. These kinds of conversations therefore need to occur more frequently, even, and maybe especially, when employees appear to be satisfied, committed and embedded at work.

As noted, bullying workmates or prejudiced supervisors may induce reluctant leaving—especially among minority or female incumbents who exit at higher rates due to workplace discrimination or incivility. Survey assessments can help gauge employees' experiences with discriminatory treatment (including sexual harassment or micro-aggression). To illustrate, the Defense Equal Opportunity Management Institute regularly evaluates diversity climates for various military branches by assessing soldiers' perceptions of discrimination by authorities (experienced bias in performance reviews and promotions), their peers (e.g., "told racist jokes" or "physically threaten them") and the civilian community in which they are based (e.g., "made offensive remarks about one's race"). Many member firms in the Attrition and Retention Consortium also track racial and gender differences in quit rates by subunits, holding their managers accountable for progress (or lack of progress) in diversifying work units. Thus, work units experiencing excessively high minority quit rates may suggest some underlying problem—minorities are not assimilating well, facing more discrimination, or simply being excluded from informal social networks—that must be corrected so that firms can improve minority and female representation across various jobs and ranks.

Although we do not discourage reluctant leaving due to poor performance, firms should not automatically assume that they are necessarily poor performers because their supervisors evaluate them harshly (prompting to leave to avoid future sanctions, including dismissal). Such poor appraisals may reflect poor working relationships with superiors. When the bulk of reluctant leavers comprise racial minorities, women, or some stigmatized group (e.g., older or disabled employees), firms may be well advised to revisit the underlying causes of their leaving. Is there, for example, additional evidence (besides the superior's view) that they are indeed marginal performers being pressured to leave

(before they are dismissed or punished), such as peer reviews or objective performance indicators? Perhaps their marginal performance reflects inadequate mentoring, social support or resources — forms of neglect (due to implicit rather than overt bias) — that often afflict stigmatized groups. Even if such leavers are genuinely poor performers who should be encouraged to leave ("functional turnover"), such turnover is not without costs. Companies must incur additional expense to find and train replacements and may have trouble finding better performers than those leaving (reluctantly) if the labor market is tight.

Reluctant Stayers ("I Want to Leave but I Must Stay")

These people prefer to leave but feel little control over leaving. That is, they want to leave, but they feel "I have to stay." These employees recognize their own job dissatisfaction but stay because they do not have better (or any) employment alternatives and likely incur costly sacrifices (to themselves or families) upon leaving (e.g., lose health care coverage). Professor Hom and colleagues highlight the importance of this group because prevailing theory and research on job embeddedness emphasize increasing retention "indiscriminately," even though some types of staying can prove detrimental to employers and employees (see Selected bibliography 3). First, the proportions of reluctant stayers most often swell during times of economic recessions, especially marginal performers who are least mobile during such periods. Second, some reluctant stayers are "bad apples" (i.e., people with bad attitudes and often displaying harmful actions). These people often feel trapped, disgruntled and blocked from leaving. As such, they often constitute "dysfunctional retention" and bring considerable costs to employers (e.g., marginal productivity, less organizational citizenship, and poor attitudes that can mistreat customers and "infect" other employees). Third, factors that keep dissatisfied people at work include non-work barriers to leaving such as forsaking desirable communities and feeling family pressures to stay to avoid disrupting spousal careers or children's schooling by moving for another job. Generally speaking, reluctant stayers are misrepresented by the traditional notion that dissatisfaction leads to turnover. These people likely have low satisfaction, commitment and embeddedness.

How to Manage Reluctant Stayers

To manage reluctant stayers effectively, managers must identify the "job misfits" (those who don't value their work, are disengaged, and marginally perform job duties). Managers must identify their barriers to leaving, such as prospective unemployment or difficulty finding acceptable employment (e.g., they might face age discrimination if older or their skills are obsolete). Specific tools to ease leaving include severance packages (to help cope with unemployment), offering more training (including developmental opportunities and tuition reimbursement to acquire more credentials) to upgrade skills (e.g., Herman Miller helped laid-off staff acquire degrees before releasing them), out-placement assistance (e.g., improve chances of re-

employment by developing interview skills, motivating persistence in job search combatting diminished self-efficacy when facing job rejections) and identifying effective sources of job leads (e.g., enlist recruiting firms).

Employers might also ease employees' cost of leaving, which—if substantial—can represent a barrier to their leaving (e.g., giving up spacious office or flexible work schedule). Firms can offer extended health care coverage, relax or terminate non-compete agreements (which are often overly restrictive), or permit early retirement. Conceivably, firms might help employees relocate by helping them sell their homes (by referring them to a realtor who is aiding newcomers buy homes locally) or helping working spouses find employment elsewhere (i.e., extending outplacement services to family members).

Alternatively, managers might improve employees' fit to their job and thereby increase their job engagement, such as training or transferring them to a better-fitting job internally (including geographical relocation). Perhaps, transferring reluctant stayers to a different leader (with whom one can develop a more satisfying relationship) may improve job fit as employees often depend on leaders for mentoring or career development. It is well documented, for example, that managers often do not develop high-quality relationships with all subordinates and limit such favorable treatment to subordinates who they like or who are demographically similar to them (not necessarily high performers). In short, an employee's fit with his or her boss may be as crucial as fit to the job. Managers might also support "job crafting" by allowing employees greater discretion in how they do (or interpret) their jobs to better customize it to their taste. At research universities for example, tenured faculty can assume more teaching or administrative duties if they have lost their passion for scholarship.

Look Deeper at Your Turnover Rates

A high turnover rate typically signals a retention problem that needs managerial attention. As we've seen in this paper, contemporary research informs us that some employees quit for reasons that are outside of a manager's or company's control (e.g., to follow a relocating spouse or to become a stay-at-home parent instead of job dissatisfaction or low embeddedness). Thus, a high turnover rate may overstate an attrition issue. We suggest that it behooves companies to determine the number of employees who quit because they want to and because they have to (via careful exit interviews, for example, by managers or their representatives). In turn, companies could then calculate separate turnover rates that include and exclude reluctant leavers. By doing so, companies could better gauge retention levels and effectiveness of any retention efforts.

A low turnover rate may not automatically signal that employees are motivated or less likely to quit. To gain deeper insights, managers (or HR Departments) should look for potential mismatches between the levels of their employees' job satisfaction (or organizational commitment) and turnover rates by comparing changes in satisfaction and turnover on company surveys across time. If, for example, current turnover rates are lower than prior rates (e.g., 6–12 months ago) and if the proportion of employees reporting

satisfaction levels decreases over time, a mismatch is present and likely signals too many reluctant stayers. In other words, more people are becoming dissatisfied but less people quit.

HOW TO MEASURE KEY TURNOVER IDEAS

Throughout the article, we alluded to specific steps that managers can take to prevent unwanted turnover and improve employee retention. Generally, we advocate for managers to practice evidence-based management, which represents basing decisions on the 'best available evidence' and using critical thinking when interpreting and applying that evidence (*Center for Evidence Based Management*; <https://www.ceba.org>). Professors Jeffrey Pfeffer and Robert Sutton, for instance, devoted many years to develop practices on how to enact evidence-based management, which includes to "relentlessly seek new knowledge and insight, from both inside and outside their companies, [and] keep updating their assumptions, knowledge, and skills." In our collective judgment, organizations in which managers make decisions based on the best logic and evidence can maintain a sustained competitive advantage (see Selected bibliography 7).

With respect to turnover, the best available evidence includes its large scientific literature (which is summarized above). At the same time, it is prudent to acknowledge the limits of the available knowledge. The research evidence shows that turnover is very much a context-specific phenomenon; that is, under certain conditions, job attitudes (like satisfaction) might predict turnover better in one context than another. Professor Rubenstein and colleagues found, for example, that in organizations where most co-workers are generally satisfied with their job, an individual's job satisfaction was an even stronger predictor of turnover than in an organization where the average co-worker satisfaction was low (see Selected bibliography 8). *In other words, a dissatisfied employee would be even more likely to quit when working mostly with satisfied employees.*

This context-specific nature of turnover highlights that managers need to understand the dynamics of their workplace. That is, some recommendations grounded in the academic literature may not work in *all* situations. For example, we see a trend in the tech industry where work becomes more project-based and where engineers "job hop" quite frequently as they complete projects and seek out new challenges. With limited research available in this context, job satisfaction might not be a good predictor of turnover within the realm of project work, and the recommendations summarized in this article might need to be revised for that industry. This example demonstrates that it is critical for managers to move beyond what is presented here to collect their own evidence within their workplaces and/or industries. Google, for example, has its own People Analytics group that—equipped with extensive theoretical, statistical and business knowledge—administers rigorous experiments and other data collection efforts internally to determine what works and does not work at Google. Obviously, not every organization has the ability to have its own data analytics group to support the HR function; yet, every manager can apply a scientific mindset to their own situa-

tion. Considering the limitations associated with the traditional employee engagement survey and the often biased exit interview, we recommend that all managers consider additional (or alternative) data collection tools to assess the “pulse” of their organization or team. In other words, the situation matters!

Managers might consider more frequent short surveys to capture employee happiness and meaningful changes in engagement over time. Software applications are readily available that allow companies to collect monthly or weekly data (e.g., with one particular application, employees might answer five questions every week that assesses their emotional well-being; responding electronically takes only a few seconds). Focus groups are another way to collect in-depth qualitative data from employees, but we caution that they take significant skills to successfully administer. Informal, one-on-one meetings with employees provide an opportunity to check-in with employees, get a sense of their well-being and collect feedback on what managers could do to support employee productivity and growth.

Daniel Parent, a HR director at GameStop, for instance, has a recurring calendar entry reminding him to check in with his employees and to ask them how happy they currently are and what he might be able to do make them happier. In one

conversation he was alerted to a new mother’s struggle with returning from maternity leave and the associated concern with fulfilling a dual role as an employee and mother. Knowing of his employee’s concern, Daniel worked out an arrangement that allowed for her to be a productive employee and spend time with her new baby. On Google’s “re:work site” (which is dedicated to disseminating successful and data-driven management practices to their own and other companies), Google provides specific guidance and templates on the structure and process of successful one-on-one meetings.

Generally, managers can learn significantly more from being an active observer in the workplace. This requires them to be physically present and spend time with employees at their place of work (as opposed to a more passive approach of expecting employees to come to management with concerns; “open door policy”). Some have coined the term “management by wandering around” to label this proactive management tool. We encourage all managers to frequently observe employees at work (not in a micro-managing or surveillance manner), ask them how they are doing, and get to know them personally. These actions signal that managers care about their employees and can open up lines of communication. Employees will likely feel more

Table 1 Summarizing the Major Takeaway Ideas for Managers in Understanding and Predicting Voluntary Employee Turnover

From the 20th century

- For the best ideas to understand and predict turnover, consider the employee’s job satisfaction or organizational commitment, job alternatives, active job search, avoidance behaviors like absenteeism and lateness, and specific intentions to quit.
- For other certainly adequate ideas to understand and predict turnover, consider the employee’s engagement, empowerment and judgments of organizational fairness.
- From the unfolding model, employee departure is not always a planned, slowly carried out exit that is triggered by accumulated job dissatisfaction; instead, quitting can happen quickly because of certain triggering events (such as supervisory abuse, unexpected job offer, spousal relocation, etc.). Try to identify such triggering events and prevent them from happening or enact plans to neutralize them (e.g., make counteroffers).
- Analyze company data to learn what actually works towards predicting or managing turnover (e.g., adopt an evidence-based orientation to managerial decision making and judgments).

From the 21st century

- Recognize that Millennials hold different values and goals for work than prior generations (e.g., increased focus on purpose and personal development).
- Move to at least three employee surveys a year; track employees’ responses over the year and across years; and analyze the data across time (e.g., examine trajectories by individuals or work groups).
- Job embeddedness theory suggests that to retain employees more effectively, increase employees’ fit, links, and sacrifice both at work and in their communities.
- In the multiple employee surveys, measure job satisfaction or organizational commitment, job alternatives (real or perceived) and job embeddedness. In addition, measure for enthusiastic stayers (i.e., I want to stay and I can stay), enthusiastic leavers (i.e., I want to leave and I can leave), reluctant leavers (i.e., I want to stay but I must leave) and reluctant stayers (i.e., I want to leave but I must stay). Recall that those who remain in an organization may not stay because they want to, but because they have to (i.e., reluctant stayers). Likewise, those who leave an organization may not leave because they want to, but because they have to (i.e., reluctant leavers). Pay attention to these reluctant stayers and leavers and manage them as suggested in this article. Also, expand employee surveys to assess proximal withdrawal states as well as job embeddedness.
- Try to explain your turnover rates with your data on satisfaction (or commitment), alternatives, embeddedness, enthusiastic stayers and leavers, and reluctant leavers and stayers. For example, a decreased turnover rate is not necessarily good news for an organization; if turnover rate decreases while employee surveys indicate declining satisfaction, a mismatch is present and likely signals too many reluctant stayers, which can be harmful to productivity.
- Analyze your data more fully and deeply than ever before and use the analysis in your decision making. Develop statistical skills or employ statisticians who can support you in these analyses.
- Always use your managerial judgment on whether the turnover data and the many ideas presented in the article (and this summary) should or should not work in your situation (a.k.a., contextualize your data).

encouraged to approach managers about problems before they progress to where they are insoluble and trigger quitting. Further, these conversations allow managers to forecast who might possibly be most affected by a looming “shock.” For example, if the manager knows that the organization is planning on eliminating a tuition reimbursement program, that manager is also likely aware of whom was planning on taking advantage of it and can mitigate the negative effects by seeking out conversations with these employees immediately upon (or possibly before) announcement of the program elimination. Similarly, if an employee quits, a manager who has good knowledge of how their team works together, can predict who would be most impacted by that event (e.g., she might know the leaver was an informal mentor to another employee on the team who might now be at risk of quitting). Again, this knowledge allows the manager to proactively buffer the negative consequences of a turnover event to avoid yet another quit.

Of course, employees—for a variety of reasons—may choose to not open up to their managers. If there are concerns around whether employees would provide honest feedback in those conversations, managers might consider using external sources (like consultants) or internal sources (like HR, an ombudsperson). For example, The Motley Fool addressed this concern by appointing several employees across the company who volunteer to conduct check-ins with employees. Employees get to choose who they want to have the conversation with in an effort to make that conversation be as open, honest and non-intimidating as possible.

Ultimately, many of these approaches require establishing a culture of trust where employees are comfortable with sharing concerns and providing honest feedback. If such trust is not present, the data collected may be biased, corrupted, and not actionable; it would not offer the “best evidence.” It is every manager’s responsibility to contribute to this trust culture by establishing positive relationships with employees. Furthermore, trust is developed by communicating to employees openly about how decisions are made and how the data is used to inform management practice. Managers must send strong signals that concerns are seriously considered and addressed.

When wanting to implement a business-wide change to positively impact retention (e.g., introduce flextime, implement a buddy system for onboarding), we recommend running pilot studies or mini experiments to test the efficacy of such approaches. For example, an organization might introduce a flextime policy in one business unit first to determine

the effects, address possible shortcomings and manage employee concerns. Assuming the policy has the intended positive effects, the organization can then extend the policy to the entire organization with the newly-gained knowledge that it will likely have a long-term positive impact. If the pilot study fails, the organization can learn from it and roll back the policy change with minimal harm. Professors Pfeffer and Sutton note the tendency for companies to adopt an “all-or-nothing” approach to new practice implementation, and they strongly recommend to senior managers and executives, especially ones that encompass multiple units or sites, that they become more experiential and experimental (e.g., selecting one site or unit to implement a new practice and comparing the effects to the remaining sites and units that act as comparison groups).

CONCLUSION

This article summarized key conclusions from the vast theoretical and empirical research on voluntary turnover (Table 1 lists the key takeaway points from this article). Because of that body of evidence, we can make solid recommendations on the importance of monitoring job satisfaction, organizational commitment, job embeddedness, shocks, willingness to stay and control over the staying decision. Assessing these attitudes, events and states frequently and modeling potential changes over time (“momentum”) would provide managers with actionable and meaningful data to inform retention practice. We conclude this paper with a call for action. Many of the successful examples in this paper come from larger organizations where the top management team supports systematic retention programs and the implementation of HR best practices is a shared goal and a consideration in the strategic planning process. Yet, many managers who do not enjoy the support of a larger system or work for organizations that do not even have an HR department can similarly adopt the recommendations put forth herein. Every manager can adapt, for example, a “management by wandering around” approach and have frequent check-ins with employees to collect their own data and interpret it with the knowledge of this paper as a foundation. Managing turnover is the responsibility of every single manager, no matter how small their unit might be. Going forward, our modest hope is that we encourage managers to take at least an initial step to positively influence retention on their team with evidence-based practice.



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