CONTENTS:

INTRODUCTION AND CONTEXT: 2
Purpose and Goals 2
Key Findings 2
MWA Regional Overview 3
Cross Comparison with Full Region 4
A Note on Response Rates, Significance, and Response by Question 4

RESULTS BY QUESTION: 5
Employer Response Profile 5
Staffing 6
Employee Tenure 8
Human Resources Management 10
Retention Strategies 12
Employee Satisfaction 14
Staff Retention Challenges 16

APPENDIX: 18
Works Cited for Best Practice Research 18
INTRODUCTION AND CONTEXT:

Purpose and Goals

In February 2019, six Michigan Works! Agencies (MWAs) contracted with the Workforce Intelligence Network for Southeast Michigan (WIN) to examine employee turnover in the region. This work aims to provide the MWAs with a comprehensive understanding of the root causes of employee turnover and the potential gaps that exist in the development of career pathways for those with barriers to employment. Information gathered from a region-wide employer survey, convenings of local employers, and nationwide best practice research is included here.

The results of the employer survey represent a unique data source for our region, as this information is not currently tracked or reported by federal, state, or local entities. The information about the challenges and opportunities within our region is intended to assist MWAs in better serving employers and workers. In particular, this will help to inform the resources aimed at reducing employee turnover.

Key Findings

1. **The occupations experiencing the highest rates of turnover are entry-level positions such as food preparation and serving workers and medical aids.**
   Occupations in which workers tend to remain with a company for a long time, however, face their own challenges in keeping jobs filled. Engineering, skilled trades, and computer systems roles have high average tenure but also typically take a long time to fill, and an oncoming retirement cliff for these workers may leave employers with small talent pools to choose from in the future. For more details on tenure by occupation, see page 8.

2. **MWSE employers estimate median turnover costs of $4,000 per worker.**
   This includes factors such as hiring search costs, training, and lost revenue and productivity. Training costs alone are estimated to be about $1,500 per employee. Additional training and detailed onboarding are reported as effective, yet expensive, retention strategies. See page 17 for more detail about turnover costs.

3. **The most common reason cited “very frequently” for employee turnover is transportation, child care, and other personal conflicts, followed by a desire for higher pay or benefits.**
   Reasons cited “often” also include opportunities to advance within the company and pursuit of different career paths. See page 16 for more detail about reasons for turnover.

4. **Competition for a shrinking talent pool is driving changes in retention strategy for many employers.**
   Employers often face fierce competition for workers, and most are experimenting with changes in pay, benefits, and other workplace features to attract and retain talent. Employers cited a tight labor market, changing workforce demographics, and an insufficient number of workers being trained in the necessary skills as reasons for updating their policies. For detail about benefits and compensation, see page 14.
Additional Context

To best focus the survey, several avenues were explored to find existing challenges and best practices. A literature review sought national information on employee turnover causes and effects. This search emphasized the uniqueness of this data set. Additionally, preliminary employer convenings were held within each MWA to provide in-depth feedback and encourage discussion among local employers.

Turnover research has been occurring in some fashion since the early 20th century, with a primary focus on predictive turnover modeling for firms’ internal use. Job satisfaction and alternatives, external shocks to businesses or workers, and employee traits were the focus of mid-century literature. More recent studies are typically based on a job embeddedness model, which represents a broad analysis of the reasons a worker will choose to remain at their job, and consider additional factors such as HR techniques and more advanced models of why workers stay. This body of research provides valuable insights into why employees may leave, but seldom refers to regional aggregate turnover studies or includes surveys that were conducted on employers. There are also some findings regarding consequences; negative correlation has been reported between turnover and measures such as customer satisfaction, profit margin, efficiency, and error/loss rates. Sources and works for this are included on page 18.

Convenings of focus-industry employers took place throughout the month of March at all MWAs. Large convenings provided a consensus across many employers sharing similar concerns, while those with fewer employers in attendance allowed for more detailed discussion. Key themes from those meetings are included alongside survey analysis. The convenings included 67 total employers, whose industry mix is indicated in figure 1, across all six MWAs. Overwhelmingly, the convenings served to show that the causes of high turnover and barriers to work are consistent across the region and across industries.

FIGURE 1: EMPLOYER CONVENING PARTICIPANTS BY BUSINESS TYPE

MWA Regional Overview

This report focuses on survey results from the Michigan Works! Southeast service area, which includes Hillsdale, Jackson, Lenawee, Livingston, and Washtenaw counties. Though a wide range of employers were surveyed, the Manufacturing, Health Care, and Information Technology, and Retail Trade industries were the subject of focus.
Cross Comparison with Full Region

Accounting for 161 out of the total 612 responses across the region, survey responses from the Michigan Works! Southeast service area exhibited the broadest mix of industries and overall similar responses to Southeast Michigan counties. The greatest proportions of responses are from Manufacturing employers and businesses with under 100 employees. Time to fill certain high-demand occupations, such as machinists and other skilled trades, is reported to be somewhat lower in these counties than other MWAs, at six weeks compared to a more typical eight, and it was reported to take less time on average to bring a new employee up to full productivity. Challenges specific to software developers and other technology roles also stood out and are discussed in greater detail in this report. Wages in this service area for the occupations discussed in detail here are often near the 16-county regional average, with some positions reporting higher wages, like office and administrative clerks, and others, like production workers, relatively low ones.

A Note on Response Rates, Significance, and Responses by Question

WIN would like to thank each MWA’s business services team for their hard work in pushing the survey out to employers, and to thank everyone who took time to fill out the survey. Across all MWAs, 612 individuals responded to the call to help improve employee retention resources.

The survey was open between April 3, 2019 and May 3, 2019. During that time, 161 employers in the service area responded to the survey. Many of the questions did not pertain to all employers, such as those regarding multiple locations or some specific programs. These are represented by the sharp drops like those in questions 4 or 36 through 38.

The 161 responses to the survey represent with a 95 percent likelihood the opinions of the general employer population in the two counties, with a margin of error of plus or minus 7 percentage points. More responses would decrease the margin of error, indicating less variability across the population in the opinions of the employers. In general, however, the statistical significance of a sample size in a multiple question employer feedback survey is less important than in other designed (i.e., binary) surveys, since the goal of a project like this is to receive information that might be helpful to other employers in the region.
Employer Response Profile

*Industry mix from responses*

The greatest portion of responding employers in these counties identified themselves as Manufacturing firms, accounting for 33.5 percent of responses. Health Care and Social Assistance employers made up 13.0 percent of respondents, while Accommodation and Food Services employers were the third largest group.

About 13.0 percent of respondents were unsure how their business classifies for QCEW purposes. Those that responded this way were asked to describe their business’ primary function and were then categorized as closely as possible; this may not perfectly represent their classification.

*County locations of primary operations and any additional locations*

The map in figure 4 shows the total number of responses that mentioned each county, including both primary and additional locations. Many employers operating in this service area have multiple locations. Regarding primary operations, 51 respondents, or 31.9 percent, primarily operate in Washtenaw county, while 41 employers primarily operate in Jackson County and 28 are based in Livingston. Additionally, 31.9 percent of employers indicated that they have multiple locations. Secondary locations were primarily located within different MWSE counties, though Wayne and Oakland counties were mentioned by several employers each as well. Limited differences in function were mentioned. The wide geographic spread is important considering that transportation barriers heavily impact the area, especially as many workers travel from Genesee county to the other MWAs. Insurance, licensing, and car repairs are prohibitively expensive, and transit is limited; employees mitigating costs through carpools are collectively susceptible to breakdowns.
Staffing

Full-time employee counts

Small to mid-sized businesses make up the bulk of the employers that responded to the survey, with 43.2 percent of respondents reporting between 10 and 49 full-time employees, and another 27.2 percent reporting between 100 and 499.

<table>
<thead>
<tr>
<th>BUSINESS SIZE</th>
<th>PERCENT OF RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-9 Employees</td>
<td>15.5%</td>
</tr>
<tr>
<td>10-49 Employees</td>
<td>35.9%</td>
</tr>
<tr>
<td>50-99 Employees</td>
<td>19.7%</td>
</tr>
<tr>
<td>100-499 Employees</td>
<td>24.7%</td>
</tr>
</tbody>
</table>

Occational Breakdown

- **Which of the following roles are employed at your location?**
- **What is the approximate percentage of your staff in these roles?**
- **How long does it typically take to fill a position in these roles?**

Some positions are significantly harder to fill and retain than others, and some skillsets are unusually rare. One of the primary concerns for this study was to quantify which occupations those may be. Employers often indicate that skilled trades roles have especially small talent pools and face an exceptional threat from the region's aging workforce. The average and median values presented in this section reflect only MWSE service area responses.

In figure 6, the broad range of industries represented within responses is clear, as roles applicable to most businesses such as office and administrative workers, general managers, and sales representatives are near the top of the list. Skilled trades and production roles have a high place as well. These occupations were chosen by many respondents and make up large portions of employers’ total staffing. It was reported here to take, on average, around six weeks to fill a skilled trades position, though they generally indicate high retention. Competition for tech workers such as software developers can be fierce; they were reported both to take an unusually long time to fill and to have unusually short average tenure. In convenings and turnover commentary within the survey, many employers commented that workers in many roles that make it through an initial threshold period are likely to stay for years.

<table>
<thead>
<tr>
<th>OCCUPATION</th>
<th>NUMBER OF RESPONSES</th>
<th>AVERAGE PERCENT OF STAFF</th>
<th>MEDIAN PERCENT OF STAFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office and Administrative Clerks</td>
<td>73</td>
<td>11.7%</td>
<td>7.0%</td>
</tr>
<tr>
<td>General Supervisors and Managers</td>
<td>60</td>
<td>8.9%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Production and Assembly workers</td>
<td>45</td>
<td>61.2%</td>
<td>57.5%</td>
</tr>
<tr>
<td>Sales Representatives and Customer Service</td>
<td>43</td>
<td>9.2%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Skilled Trades (e.g., Machinists, Tool &amp; Die Makers)</td>
<td>39</td>
<td>25.9%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Advertising, Marketing, or Business Operations</td>
<td>37</td>
<td>10.2%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Building Maintenance Workers</td>
<td>36</td>
<td>8.4%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

(Continued on next page)
<table>
<thead>
<tr>
<th>OCCUPATION</th>
<th>NUMBER OF RESPONSES</th>
<th>AVERAGE PERCENT OF STAFF</th>
<th>MEDIAN PERCENT OF STAFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Other Occupations</td>
<td>30</td>
<td>53.7%</td>
<td>62.5%</td>
</tr>
<tr>
<td>Engineers</td>
<td>27</td>
<td>14.5%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Computer Support Specialists</td>
<td>26</td>
<td>8.2%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Computer Systems Analysts and Administrators</td>
<td>24</td>
<td>5.2%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Mechanics and Equipment Installers and Repairers</td>
<td>23</td>
<td>8.7%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Food Preparation and Serving Workers</td>
<td>21</td>
<td>40.1%</td>
<td>29.0%</td>
</tr>
<tr>
<td>Truck and Delivery Drivers</td>
<td>21</td>
<td>5.9%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Drafters and Engineering Technicians</td>
<td>15</td>
<td>8.6%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Retail Salespersons and Cashiers</td>
<td>14</td>
<td>26.5%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Technicians (e.g., pharmacy, automotive, etc)</td>
<td>14</td>
<td>11.8%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Medical Aides and Assistants</td>
<td>13</td>
<td>53.4%</td>
<td>34.5%</td>
</tr>
<tr>
<td>Stock Clerks, Packaging, and Other Logistics Workers</td>
<td>12</td>
<td>22.9%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Nurses</td>
<td>8</td>
<td>12.9%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Software Developers</td>
<td>5</td>
<td>24.8%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Counselors</td>
<td>4</td>
<td>4.7%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Doctors or Counselors</td>
<td>2</td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

FIGURE 7: AVERAGE AND MEDIAN TIME TO FILL A POSITION BY OCCUPATION
Responding employers experience a wide range of turnover rates as depicted in figure 8. The greatest portion, or 55 employers of the 142 responses, have a 10 percent or smaller annual turnover. However, a total of 17 employers experience greater than 50 percent turnover each year, or more than half of their staff.

**Tenure estimates by occupation**

Regionally, several patterns emerged among tenure rates, and these were reflected in this service area. Medical aides, food preparation and serving workers, production workers, and other entry-level positions have both very low tenure and low time to fill, while the opposite is true for high-skilled roles such as doctors, skilled trades, and engineers. Note the low average tenure, just two years, for software developers.
Tenure differences between hourly and salaried workers

Just under half, or 46.3 percent, of responding employers stated that tenure is noticeably different between their hourly and salaried workers. Below is a depiction of the distribution of tenure for both groups. Hourly workers have much greater numbers of individuals remaining in their positions between for one year or less, while salaried workers are much more likely to remain with a company for three years or more.

FIGURE 10: DIFFERENCES IN TENURE FOR HOURLY AND SALARIED WORKERS

Tenure differences between entry-level and management workers

Over half, or 53.7 percent, of responding employers stated that tenure is noticeably different between their entry-level and management workers. Below is a depiction of the distribution of tenure for both groups. Individuals that begin working at these companies in entry-level roles exhibit a range of tenure periods, with the greatest portion remaining between one and two years but roughly equal portions remaining under one or three or more years. Individuals in management roles are likely to stay for long periods, with about half remaining with a company for at least five years.

FIGURE 11: DIFFERENCES IN TENURE FOR ENTRY-LEVEL AND MANAGEMENT WORKERS
Tenure changes from additional training

Well over half, or about 62.5 percent, of employers either have not noticed any change in tenure with additional training or train all workers no matter what. Those that have noticed a difference indicated that additional training has a positive overall effect on retention. Other comments included employees in general having attendance issues or changing jobs fairly frequently, as well as a few new businesses who have not yet been able to evaluate the impact of training. In convenings, employers expressed excitement over additional training resources, which reinforced survey responses that employers would like to offer more training.

Tenure differences between day and night shifts

Just under half, or 49.5 percent, of responding employers stated that they employ workers on multiple shifts. Most noticeably, first shift workers are by far the most likely to remain with a company for over five years, while many individuals appear to test whether they can adapt to a third shift schedule for six months or fewer. All three shifts have similar rates of working between one and five years. This reflects employer comments from convenings; second and third shift positions are often initially difficult to fill, but typically once a good fit is found the employee is likely to stay. Shift scheduling, alongside conflicts like repetitive work and tough working conditions, can make it especially difficult to fill jobs in manufacturing and construction businesses.

FIGURE 12: DIFFERENCES IN TENURE BY SHIFT

Human Resources Management

Capacity of human resource departments

A major employer concern during convenings was that rapid growth and heavy staffing and coaching needs outpaced the capacity of their small human resources departments. From the survey, 60.1 percent of responses reported that their company has dedicated human resources staff. Of them, 36.8 percent have just one individual managing talent and 38.6 percent have two. A few responses each indicated that they have up to or greater than 10 employees in their HR department, many of which were large or international companies. For those without dedicated HR staff, nearly all
indicated that this is handled by another internal management role. These ranged from office or operations managers to executive directors and owners. While 23.6 percent of responses state that they typically use a staffing agency to fill open positions, many others indicate that they will use a staffing agency for temporary hires, difficult to fill positions, or other situational reasons.

**FIGURE 13: NUMBER OF HUMAN RESOURCES WORKERS BY RESPONSES**

<table>
<thead>
<tr>
<th>Category</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>21</td>
</tr>
<tr>
<td>Two</td>
<td>22</td>
</tr>
<tr>
<td>Three to Ten</td>
<td>8</td>
</tr>
<tr>
<td>Greater than Ten</td>
<td>5</td>
</tr>
</tbody>
</table>

**FIGURE 14: HR DISTRIBUTION BY LOCATION**

<table>
<thead>
<tr>
<th>Location Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each location</td>
<td>10.5%</td>
</tr>
<tr>
<td>Central location only</td>
<td>29.8%</td>
</tr>
<tr>
<td>N/A; only one location</td>
<td>54.4%</td>
</tr>
<tr>
<td>Other</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

**FIGURE 15: USE OF A STAFFING AGENCY BY PERCENT OF RESPONSES**

- Yes, 23.6%
- No, 52.9%
- Sometimes, 23.6%

**Onboarding strategies**

In both survey responses and convenings, employers indicated that one of the best strategies that can be used to keep workers in their companies is to provide excellent training and clear expectations from the moment a person is hired. Though the high percentage of one-person HR departments may not have capacity to implement more hands-on methods, nearly all employers utilize some kind of official onboarding. Figure 16 shows the percent of responses utilizing each of the indicated onboarding strategies.

**FIGURE 16: ONBOARDING STRATEGIES BY PERCENT OF RESPONSES**

- Handbook: 87.0%
- Orientation: 80.4%
- 90-day review or other probationary period: 75.0%
- Mentor: 51.1%
- Formal training, such as seminars or workshops: 44.6%
- Intranet employee posting board/ internal communications: 40.2%
- Other: 3.3%
- None: 1.1%
Formalized feedback strategies
About 40.2 percent of responses indicated that they do not have any formalized feedback strategies. Equal numbers of responses, with 15.2 percent each, have informal feedback systems such as open cultures of communication, open door policies and employee suggestion boxes or survey their employers on a regular basis. Finally, many employers primarily utilize annual reviews, quarterly meetings, or 90 day performance evaluations to glean employee feedback.

At what level do you have succession planning procedures in place?

Retention Strategies
What retention strategies do you have in place, and how often do you update them?
Responding employers most often described flexible scheduling as referring to leeway regarding commute, doctors’ appointments, and child care needs. Several responses mentioned that employees may set their own start and end times within a given range. Others indicated that taking personal days is acceptable and encouraged, or that remote working is allowed. Employers responding with “other” typically referred to additional training. Transportation was identified as a key issue for turnover in convenings, this survey, and across MWAs, and especially for this primarily rural region. To this end, 9.0 percent of responses indicate that their company provides any transportation-specific assistance.

Different businesses take different approaches to implementing these strategies; though 93.3 percent of responding employers have at least one of the above retention strategies in place, about one third have never formally evaluated their policies. Another quarter of employers indicated that they evaluate their retention policies on an as-needed basis.

![Figure 19: Frequency with which employers evaluate retention policies](image)

**Effectiveness of retention strategies**

When considering the broad array of retention strategies utilized, 124 employers reported strategies they find especially effective. Many among them focused on flexibility and recognition. An assortment of incentives, financial and otherwise, were also acknowledged as being very effective. Of the options in figure 18, the open-door HR policy, flexible scheduling, wellness programs, and many team bonding and food incentives were mentioned.

Not all results have been positive, however, and 42 employers reported strategies that have not been helpful to them in the past. Most of these pertained to wages, indicating that changes in pay or benefits did not increase employee retention on their own. Others varied by workplace; rigid policy adherence was referred to as being ineffective, but so were the kinds of incentives that some employers had indicated were useful.
**Compensation considerations: salary and benefit comparisons**

Wages are often considered a primary cause of turnover; during convenings, many employers noted that workers will leave for very small changes in pay. Employers indicating that they generally offer above average pay also cite low turnover rates, in many survey responses. Just over a quarter, or 30.7 percent, of surveyed employers have standardized salary bands for their workers. Both a distribution of reported wages by occupation group from this survey and Bureau of Labor Statistics (BLS) wages for the Michigan Works! Southeast service area is shown below. In convenings, employers reported both cost and logistic barriers in adjusting wages. However, as competition for talent grows, businesses are finding it increasingly important to keep up with regional average wages. Benefits are key as well, and for many workers, a range of the right benefits may make up for slightly lower wages or unusual schedules. Tuition reimbursement, schedule flexibility, incentives, and other broad benefits are becoming increasingly common, though workers that are young or do not have families may not account for above average health insurance in making compensation decisions.
FIGURE 22: WAGE SCALE FOR TOP 12 SURVEY OCCUPATIONS IN MICHIGAN WORKS! SOUTHEAST COUNTIES

<table>
<thead>
<tr>
<th>SOC</th>
<th>OCCUPATION</th>
<th>PCT. 10 HOURLY EARNINGS</th>
<th>PCT. 25 HOURLY EARNINGS</th>
<th>MEDIAN HOURLY EARNINGS</th>
<th>PCT. 75 HOURLY EARNINGS</th>
<th>PCT. 90 HOURLY EARNINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>43-9199</td>
<td>Office and Administrative Support Workers, All Other</td>
<td>$16.41</td>
<td>$18.85</td>
<td>$21.66</td>
<td>$24.72</td>
<td>$27.51</td>
</tr>
<tr>
<td>11-1021</td>
<td>General and Operations Managers</td>
<td>$22.05</td>
<td>$30.83</td>
<td>$48.08</td>
<td>$79.63</td>
<td>$108.17</td>
</tr>
<tr>
<td>51-2098</td>
<td>Assemblers and Fabricators, All Other, Including Team Assemblers</td>
<td>$9.79</td>
<td>$11.46</td>
<td>$14.25</td>
<td>$18.02</td>
<td>$21.81</td>
</tr>
<tr>
<td>51-9199</td>
<td>Production Workers, All Other</td>
<td>$9.52</td>
<td>$10.49</td>
<td>$13.05</td>
<td>$18.33</td>
<td>$22.38</td>
</tr>
<tr>
<td>41-4012</td>
<td>Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products</td>
<td>$14.41</td>
<td>$20.01</td>
<td>$28.26</td>
<td>$43.96</td>
<td>$60.62</td>
</tr>
<tr>
<td>43-4051</td>
<td>Customer Service Representatives</td>
<td>$10.01</td>
<td>$12.23</td>
<td>$15.87</td>
<td>$21.58</td>
<td>$28.74</td>
</tr>
<tr>
<td>51-4041</td>
<td>Machinists</td>
<td>$13.10</td>
<td>$15.54</td>
<td>$19.07</td>
<td>$24.10</td>
<td>$28.34</td>
</tr>
<tr>
<td>51-4111</td>
<td>Tool and Die Makers</td>
<td>$15.29</td>
<td>$19.09</td>
<td>$24.33</td>
<td>$28.73</td>
<td>$32.48</td>
</tr>
<tr>
<td>13-1161</td>
<td>Market Research Analysts and Marketing Specialists</td>
<td>$17.65</td>
<td>$23.49</td>
<td>$29.45</td>
<td>$37.75</td>
<td>$50.14</td>
</tr>
<tr>
<td>13-1199</td>
<td>Business Operations Specialists, All Other</td>
<td>$17.74</td>
<td>$22.80</td>
<td>$30.45</td>
<td>$40.30</td>
<td>$51.59</td>
</tr>
<tr>
<td>49-9071</td>
<td>Maintenance and Repair Workers, General</td>
<td>$9.53</td>
<td>$11.75</td>
<td>$16.75</td>
<td>$23.10</td>
<td>$28.74</td>
</tr>
<tr>
<td>15-1151</td>
<td>Computer User Support Specialists</td>
<td>$11.06</td>
<td>$15.86</td>
<td>$22.38</td>
<td>$29.03</td>
<td>$36.31</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics

Does your company have clearly defined promotion pathways for any of these roles?

FIGURE 23: STANDARD PROMOTION PATHWAYS BY OCCUPATION AND PERCENT OF RESPONSES

None: 57.5%
General Supervisors and Managers: 11.5%
Skilled Trades (e.g., Machinists, Tool & Die Makers): 8.1%
Office, Administrative, Accounting, and Bookkeeping Clerks: 8.1%
All Other Occupations: 6.9%
Production and Assembly Workers: 6.9%
Retail Salespersons and Cashiers: 5.8%
Food Preparation and Serving Workers: 5.8%
Sales Representatives, Buyers, and Customer Service, Including Related Managers: 4.6%
Stock Clerks, Packaging, and Other Logistics Workers: 3.5%
Medical Aides and Assistants: 3.5%
Computer Support Specialists: 3.5%
Advertising, Marketing, or Business Operations: 3.5%
Truck and Delivery Drivers: 2.3%
Technicians (e.g., pharmacy, automotive, etc): 2.3%
Software Developers: 2.3%
Mechanics and Equipment Installers and Repairers: 2.3%
Engineers: 2.3%
Drafters and Engineering Technicians: 2.3%
Computer Systems Analysts, Specialists, and Administrators: 2.3%
Nurses: 1.2%
Building Maintenance Workers: 1.2%
Promotion pathways and necessary training

Over half of employers (57.5 percent) stated that they do not have set advancement pathways for any of the roles chosen here, though several employers that do have advancement pathways indicated that they are available for multiple roles. There were 78 total occupation pathways selected here by employers. The majority, or 64.7 percent, of employers indicated that funding is available for required training. Six responses stated that training is completed during normal work hours, while others offer flexible time off, staggered hours, or other additional flexibility.

Staff Retention Challenges

Employers indicated a variety of reasons for being concerned about turnover, and 71.3 percent of responses stated that they are worried about staff retention. The burden and expense of training a new worker and the impact on company performance are felt as well. Many feel that workers have inappropriate expectations about pay that may be mismatched with their level of training. Monetary concerns, such as the ability to pay higher wages and fund additional training, may impact even employers who feel that the higher wages are fair. Finally, as employers broaden their search for talent, they are increasingly finding that workers must be coached in workplace soft skills. This was noted across all MWAs and industries, and extended to factors like attendance and punctuality, work-life balance, motivation and dedication, and personal fit with the company.

Reasons given for leaving a job

Employers were asked to rank employees’ stated reasons for leaving by frequency, ranging from “never” (employees do not ever express this was the primary reason) to “very frequent”. The most common reason cited “very frequently” for employee turnover is transportation, child care, and other personal conflicts, followed by a desire for higher pay or benefits. These reasons were echoed in convenings. Pursuit of a different career path was also a common reason for leaving, as the third most common “very frequent” and most common “often” causes. Reasons cited “often” also include opportunities to advance within the company and personal events such as retirement or leaving for further education.

FIGURE 24: EMPLOYEES’ REASONS FOR LEAVING BY FREQUENCY
**Personal barriers and court-ordered payroll deductions**

As shown in figure 24, barriers such as housing, child care, transportation, and medical issues continue to frustrate both workers and their employers. Individuals struggling with poor attendance often face unseen barriers at home; transportation is the most commonly cited, but housing, child care, and health are also important. Legal barriers and court-ordered wage deductions can be difficult as well. About a quarter, or 23.0 percent, of employers report retention issues for employees burdened by court-ordered payroll deductions. Among those indicating that payroll deductions are an issue, nearly all (82.4 percent) cited child support. Debt collections, with 44.1 percent, were about half as common while student loan collections represent a distant third.

**FIGURE 25: REASONS FOR COURT-ORDERED PAYROLL DEDUCTIONS BY PERCENT OF RESPONSES**

- Child support: 82.4%
- Debt collections: 44.1%
- Student loan collections: 17.6%

**Estimated costs of turnover and new hire learning curve**

**FIGURE 26: ESTIMATED COSTS OF TURNOVER**

Figure 26 shows the number of responses indicating that their cost to replace an employee falls within the given range. Search costs, with an average of about $2,800 per worker and a median of $1,000, are typically the smallest portion of the expense. Suggestions for “other” costs included lost productivity or revenue while being short-staffed or lacking experienced workers; as shown in figure 27, it most often takes over three months for a new worker to be as productive as an existing one. “Other” costs had a median of $1,500 and a high number of estimates over $5,000. Estimated costs to train a new worker had a similar distribution. Median training costs were estimated to be $1,500, but average training costs were $4,500, possibly indicating tuition assistance or other costly certifications. Altogether, the median estimate of the cost to bring on a new worker when an employee leaves was estimated to be $4,000 but can easily range over $10,000 depending on the position. With many MWAs reporting median turnover costs near $4,000, Michigan Works! Southeast employers report expenses that are similar to the region overall.

**FIGURE 27: TIME TO BRING A NEW EMPLOYEE TO FULL PRODUCTIVITY BY PERCENT OF RESPONSES**

- Under 1 month: 13%
- 1-3 months: 29%
- 4 to 6 months: 15%
- 6 months to 1 year: 12%
- Over 1 year: 9%
Works Cited for Best Practice Research:


Michigan Works! Southeast is a proud partner of the American Job Center Network. Equal Opportunity Employer/Program
Auxiliary aids and services available upon request to individuals with disabilities.

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