



SNAPSHOT: EMPLOYEE WELL-BEING IMPACTS TURNOVER

Employee well-being data can predict turnover rates

WELL-BEING AND TURNOVER

Employee turnover has a large, often negative business impact that organizations can't ignore. Replacing an employee is estimated to cost between 90 and 200 percent of an employee's annual salary.¹

Researchers have studied turnover for decades — but they haven't deeply explored the relationship between employee well-being programs and turnover. An analysis of 2015 Limeade well-being program data found program participation and turnover are related:

- Turnover rates were **four times higher** among employees who weren't registered for a well-being program compared to registered employees
- Turnover rates were **two times higher** among employees with low levels of participation vs. employees with high levels of participation

EMPLOYEE TURNOVER: THE VOLUNTARY OR INVOLUNTARY DEPARTURE OF AN EMPLOYEE.

TURNOVER RATES WERE

4x HIGHER

for employees **NOT REGISTERED IN A WELL-BEING PROGRAM** compared to registered employees

TURNOVER RATES WERE

2x HIGHER

for employees with **LOW LEVELS OF PARTICIPATION** compared to high levels of participation



The Limeade Institute analyzed this data from 539,534 U.S. employees, who came from organizations ranging in size from 1,000 – 20,000 employees in healthcare, retail and technology sectors.

Limeade observed overall well-being data, which included components like growth and engagement. The team also included other data like employee status and program participation. The findings highlight the value of well-being data for leaders who track business results, specifically turnover. They also reinforce the need to support employee well-being to keep people engaged at work.

CAN WELL-BEING PROGRAM DATA PREDICT EMPLOYEE TURNOVER?

Yes.

Leaders can use well-being assessment, participation and program data to predict employee turnover. The prediction won't provide reasons for potential turnover, but it can identify high-risk areas within an organization. HR leaders can then adjust their well-being strategy to positively influence engagement and reduce potential turnover.

For this predictive analysis, the Limeade Institute analyzed 2015 Limeade well-being program data that included 23,051 U.S. employees from employers ranging in size from 1,000 – 20,000 employees in healthcare, retail and technology sectors.

HIGH TURNOVER IS RELATED TO LOWER

- Customer satisfaction ²
- Profit margin ²
- Production and sales efficiency
- Organizational performance ³
- Financial performance ³
- Workforce productivity

¹ Allen, D. G., Bryant, P. C., & Vardaman, J. M. (2010). Retaining talent: Replacing misconceptions with evidence-based strategies. *The Academy of Management Perspectives*, 24, 48-64.

² Heavey, A. L., Holwerda, J. A., & Hausknecht, J. P. (2013). Causes and consequences of collective turnover: A meta-analytic review. *Journal of Applied Psychology*, 98, 412-453.

³ Park, T. Y., & Shaw, J. D. (2013). Turnover rates and organizational performance: A meta-analysis. *Journal of Applied Psychology*, 98, 268-309.