

## **A Futurist's Warning to Employers: Prepare Now for Increased Employee Turnover**

By Roger E. Herman, CSP, CMC, FIMC

Corporate leaders should be highly sensitive to their exposure to damaging employee turnover. While the employment market has been relatively stable for the past few years, our forecast is that we're about to see some major changes in that situation.

### **Work in the '90s**

During the late 1990s, people were changing jobs at a rapid clip. The average tenure was 2-4 years, and that calculation included consideration of all the "lifers" who had been in positions for over two decades and who had no intention of moving. Reality: a lot of workers were changing jobs after less than a year with their employer.

A lot of people became accustomed to the frequent job change career plan. While the pattern was certainly prevalent among the twenty-somethings, workers in their thirties, forties and even fifties were beginning to pick up on the opportunity to try new things and to better their position. A lot of the emphasis was on change, with less attention given to compensation. We saw more focus on meaningful work, rather than on massive money, particularly toward the end of the decade.

Then the economy slowed. The terrorist attack of September 2001 had a heavy emotional impact. The drive to change from one job to another was psychologically dampened—and there weren't that many jobs to move to anyway. A lot of workers slipped into a sort of hibernation mode, not even exploring opportunities that did exist.

In my speeches to audiences representing a number of employers, I've been asking how many companies have openings now that they can't fill. Amazingly, in almost every situation, between 2/3 and 3/4 of the participants raise their hands. And this is in a down market with high unemployment! What will conditions be like when the economy heats up again?

### **Forecast: The Economy Heats Up**

American optimism is still alive and well. The economy will improve. We all know it. We can watch the indicators. When will we see this improvement? When will the stock market regain its vigor? How soon will we again have a robust economy? I wish my crystal ball would tell me that. We can guess. I can give you my forecast as a futurist, based on what I see, but you may well disagree with me. Let's leave it open; you decide. OK, you don't have the power for that kind of decision. However, you do have the power to do some scenario planning around alternatives.

When the economy heats up, more jobs will be created. This will stimulate more movement of workers and more employee turnover. Recent studies show that 30-40 percent of today's workers have already checked out: they're more focused on where their next job will be than they are on current performance. What will happen to your organization if 30 percent—even 10 percent—of your best workers leave over the next 6-8 months?

The risk is real. How prepared are you? What are you doing to build workforce stability now?

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