Predicting Voluntary Turnover – An Art or a Science?

Addressing workforce turnover has long been more of an art than a science. The real drivers that cause employees to leave one company for another have remained elusive despite years of study. But now that is changing.

ADP Research Institute used anonymized payroll data from 41,000 companies with 12.5 million employees from 2015/2016 to paint a picture of the turnover landscape and determine benchmarks by industry. A voluntary turnover predictive model was developed from a subset of these data.

12.5 M employees
41,000 companies
data from 2015/2016

Setting the Stage

The average monthly turnover rate is approximately 5% but that varies month to month.

The lowest occurs in March and the highest in September.

Key Attributes Contributing to Voluntary Turnover

The study identified a set of approximately 40 relevant attributes

Top Attributes
- Pay & Promotion
- Overtime
- Commute Time
- Experience & Tenure

Applying the Model

Turnover probability model identifies "at risk" employees at a rate 5-6 times higher than guesswork by applying the organization’s historical turnover rate

Across industries, the majority of workers are classified as low predicted turnover probability

Workers with medium or high predicted turnover probability leave at far greater rates than those with a low predicted turnover probability

Predicted Turnover by Industry
- Highest:
  - Retail
  - Food Services
  - Arts & Entertainment

- Lowest:
  - Manufacturing
  - Real Estate

Want to learn more about the results of the turnover probability model?

Revelations From Workforce Turnover: A Closer Look Through Predictive Analytics

DOWNLOAD