

THE FINANCIAL IMPACT OF EMPLOYEE TURNOVER

EMPLOYEE TURNOVER, RECRUITMENT, AND TRAINING ARE AMONG THE MULTIFAMILY INDUSTRY'S GREATEST OPPORTUNITIES FOR IMPROVEMENT

34%

MULTIFAMILY'S AVERAGE ANNUAL EMPLOYEE TURNOVER

23%

EMPLOYEES REGRET ACCEPTING THEIR CURRENT POSITION

AVERAGE TIME TO FILL A VACANT MULTIFAMILY POSITION

40 DAYS

16%

AVERAGE EMPLOYEE TURNOVER WITHIN FIRST WEEK OF HIRE

45%

NEWLY HIRED MULTIFAMILY EMPLOYEES WHO SAY THEIR FIRST WEEK WAS DISORGANIZED

WHY DO EMPLOYEES LEAVE?
IT VARIES, BUT MOST REASONS ARE CONTROLLABLE

34%

U.S. WORKERS WHO ARE "ENGAGED"—THAT IS, INVOLVED IN, ENTHUSIASTIC ABOUT, AND COMMITTED TO THEIR WORK AND WORKPLACE

49%

EMPLOYEES WHO SAY THEY'VE LEFT A POSITION TO ESCAPE A BAD MANAGER

60%

EMPLOYEES WHO HAVE SEARCHED FOR A NEW, LESS STRESSFUL POSITION

58%

EMPLOYEES WHO ARE INTERESTED IN A DIFFERENT ROLE IN THE NEXT YEAR

67%

MILLENNIALS WHO SAY THEY WOULD LEAVE THEIR COMPANY IF THEIR JOB LACKS OPPORTUNITY FOR GROWTH

CONNECTING THE DOTS BETWEEN EMPLOYEE TURNOVER, RESIDENT RETENTION, AND THE BOTTOM LINE

Research has shown a direct relationship between employee turnover and resident turnover. The lower the employee turnover, the lower the resident turnover. Here are some concrete numbers to help illustrate the benefit. Using the conservative industry estimate that the average turnover cost per move-out is \$1,800, and NAA's report of 47% average resident turnover, a 5,000-unit portfolio will lose \$4,239,000 annually. Based on client case studies, reducing employee turnover by 3% results in an average reduction in resident turnover of 4%. That shift in focus reduces resident turnover cost by an average of \$369,000. And, there is significant savings to be gained on the employee recruitment side when employee turnover is reduced.

4%

AVERAGE REDUCTION IN ANNUAL RESIDENT TURNOVER WHEN A PORTFOLIO'S EMPLOYEE TURNOVER IS REDUCED BY 3%

\$4,239,000

ANNUAL LOSS DUE TO RESIDENT TURNOVER FOR AN AVERAGE 5,000 UNIT MULTIFAMILY PORTFOLIO

\$369,000

ANNUAL SAVINGS REALIZED WHEN RESIDENT TURNOVER IS REDUCED BY 4% FOR AN AVERAGE 5,000 UNIT MULTIFAMILY PORTFOLIO

REDUCING EMPLOYEE TURNOVER MEANS EVERYONE WINS

Resident retention continues to be important. That has not changed. What has changed is our understanding of what is more important, and that is to prioritize employee engagement and retention. By doing so, companies can have even greater success on their resident retention efforts. The employees win, the residents win, and the company wins.

SOURCES

National Multifamily Housing Council's 2021 National Multifamily Industry Compensation Survey, Society of Human Resource Management, NAAEI, Zippia, National Apartment Association, Glassdoor, Gallup, Multifamily Executive and Swift Bunny.

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ABOUT SWIFT BUNNY

Swift Bunny offers a suite of multifamily-specific talent management solutions. Ingage by Swift Bunny™ is the apartment industry's first employee lifecycle feedback system. Inquire by Swift Bunny™ is a flexible and user-friendly custom survey solution for collecting employees' opinions and feedback. Focusing on the issues that matter most to team members can improve satisfaction, retention, and performance across an entire multifamily portfolio.

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