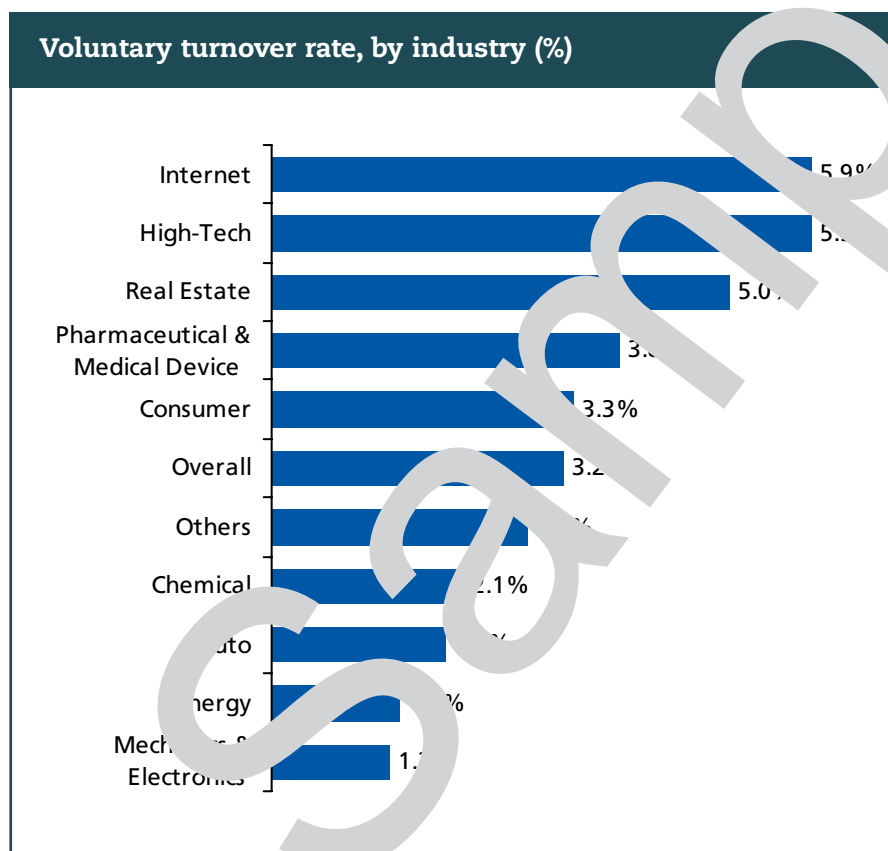


A shortage of skilled workers and high turnover rates have been major concerns for companies. High attrition rates not only affect the company in terms of shortage of skills to meet the product deadlines but also increase the costs for the company in terms of loss of know-how and business information, increased recruitment and training costs for the new recruits. So companies are challenged to counter such problems with retention policies. The current section provides information on voluntary and involuntary turnover rates.

Turnover is the ratio of the number of workers that must be replaced over a given time period to the average number of workers. It includes resignations, retirement, discharges and reductions in workforce. It is usually expressed as a percentage.

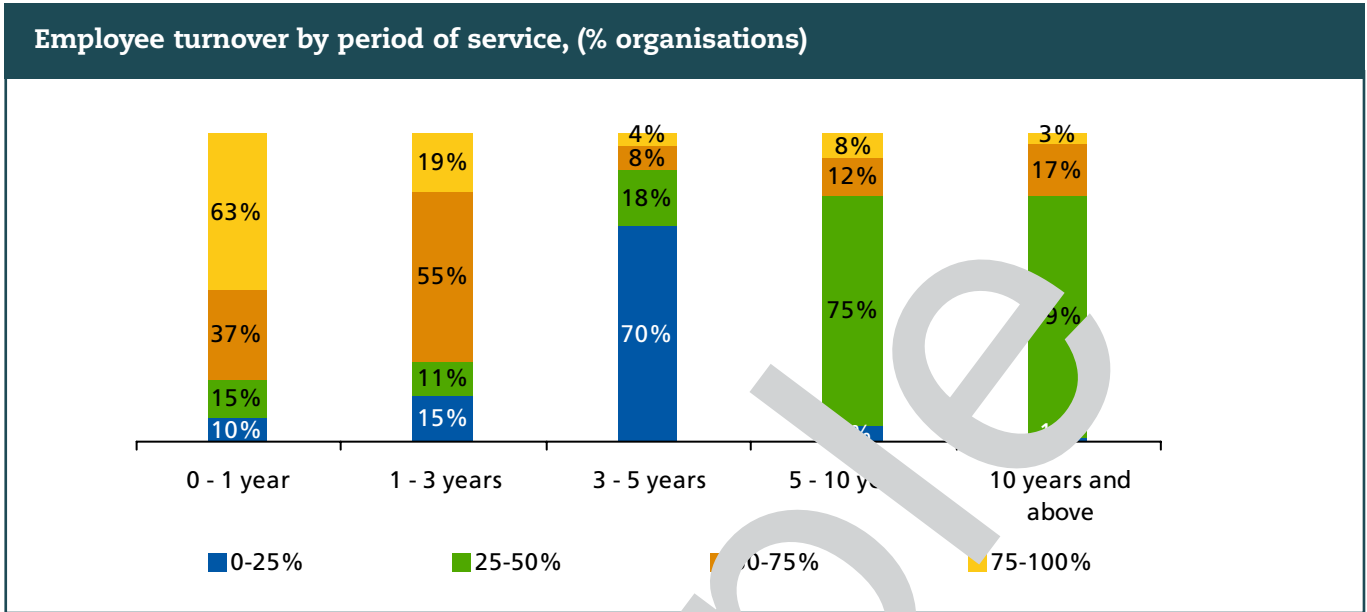
Voluntary turnover rates



The Internet and Hi-tech industries have the highest voluntary turnover ratio of 5.9%, followed by the Real Estate industry. The Chemical, Auto, Energy, and Mechanics & Electronics industries have a turnover rate lower than the overall turnover rate.

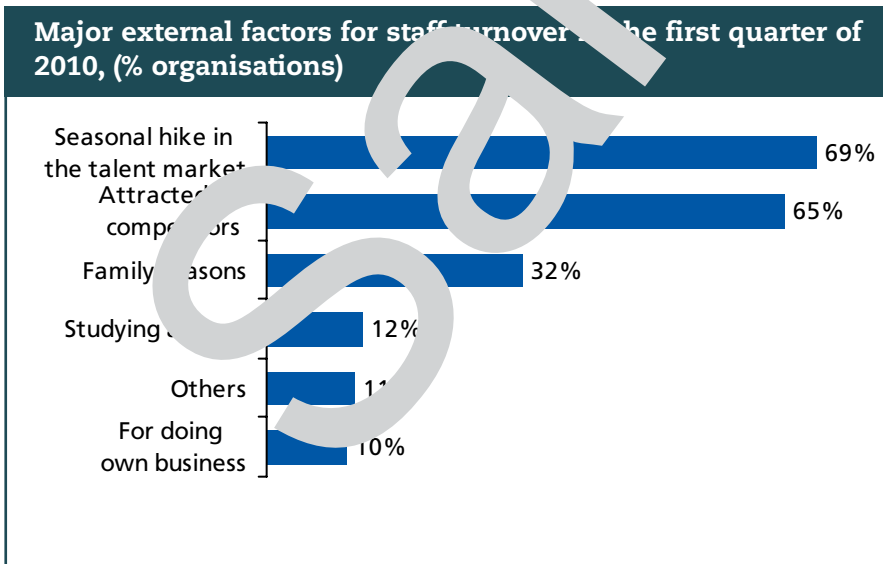
Voluntary turnover by period of service

Employees change jobs frequently to benefit from increasing wages, thus reducing the average retention period in a company. The following graph illustrates voluntary turnover by period of service across the respondent companies.



Turnover peaks among employees working for less than three years and slows down among employees with more than five years of service. The sector with the highest turnover rate is among employees with six months to one year of service (21%). Interestingly, 77% of all turnovers occur between six months and three years of service.

Causes for turnover



Most companies indicate the seasonal hike in the talent market as the major cause for the turnover.