Companies Lose One-Quarter of All New Hires, Survey Says;  
Best Practices for Retention Not Followed at Many Companies

While many HR professionals are focused on hiring in 2012, they would be smart to focus on retention at the same time.

According to the 2012 Allied Workforce Mobility Survey, companies lose almost one-quarter of all new employees within a year, and one-third fail to meet productivity targets.

Why? According to HR professionals, the reasons are not external, such as the economy, demographics or trends in the culture.

Instead, HR professionals cite many internal variables that could limit their success at retention, such as underfunded onboarding programs or a lack of training and mentoring.

The financial toll for these shortcomings is very significant. When an employee leaves, the hiring process begins anew. To fill one position costs on average $10,731, with an additional $21,033 per new hire for relocation, according to earlier results of the survey.

Sponsored by Allied Van Lines, the 2012 Allied Workforce Mobility Survey captured the voice of 500 HR professionals on critical topics related to workforce mobility. The second set of results, released today, concern onboarding and retention. Results for recruiting and relocation were released last month, and a third set of results will be released June 11. All survey results, including downloadable charts and tables, are available at www.alliedhriq.com.

The amount of money companies spend on onboarding pales in comparison to the amount spent on recruiting. Among companies represented in the survey, the average spend on onboarding is $99,191 per year, which equates to about $67 per new employee.

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Best-in-class employees spend considerably more – about $178,868 per year. And the results are telling. New employees at best-in-class companies are more likely to [link to Table 4]:

- Stay at the company for at least one year
- Meet or exceed corporate productivity goals
- Eventually become corporate leaders or influencers

While most companies have some kind of onboarding program, only 19 percent have a dedicated budget for onboarding. And yet, companies with specific budgets for onboarding are almost twice as likely to be “highly successful” at onboarding.

Further, best practices for onboarding [link to Figure 3] are not widely employed. Only 66 percent of companies train their new employees. Even among companies rated best in class for onboarding, one-quarter do not train their employees.

According to HR professionals, the top three reasons employee leave within one year of their hiring date are:

- Relationship with manager
- Job performance
- Career advancement opportunities

And yet, many companies are not sufficiently addressing these concerns:

- Just 44 percent of companies have coaching/mentoring programs, which could improve employee/manager relationships.
- Management participates in onboarding programs at just 35 percent of companies. Participation could strengthen ties between new hires and their managers.
- Forty-two percent of companies don’t identify clear job titles/expectations.
- Only 39 percent of companies set milestones and goals for career advancement.

What’s more, many HR professionals probably don’t know that employees are unhappy until they’re already out the door. Fifty-four percent of companies conduct “exit” interviews, but only 13 percent of companies conduct “stay” interviews, which are intended to evaluate employee satisfaction while they are still employed.

The good news is that certain companies are more successful with retention. For example, 35 percent of large companies (> 10,000 employees) retain 90 percent or more of new hires beyond the one-year point. These companies are more likely to have “successful” onboarding programs, according to the survey.
Yet small companies can also become “highly successful” at onboarding. About 34 percent of companies with revenues between $10 million and $100 million are best in class at onboarding.

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Established in 1928, Allied Van Lines, Inc., with more than 400 agent locations in North America, is an experienced leader in household goods moving and specialized transportation services. Allied is one of the world’s largest moving companies and one of the established global brands of SIRVA, Inc., a leader in providing relocation services to corporations, consumers and governments around the world. For more information about Allied, visit [http://www.allied.com](http://www.allied.com). U.S. DOT No. 076235

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