

Why Turnover Can Be a Good Thing

In an ever-evolving job market, most companies look at turnover as one of the key statistics for defining employee satisfaction. And employee churn isn't rare. According to a 2014 CNN article, people in the United States are leaving their jobs at the fastest rate since 2008, something that's attributed to a big positive— a growing economy.

“People typically quit their jobs when they're more confident in finding a new job or already have a offer in hand,” the article states. “The new role usually comes with a higher wage and better prospects.” On a higher level, this serves as an example of how turnover, while something that needs to be monitored and balanced, isn’t always a bad thing.

In a holacracy like Hivewyre, of course every employee has the freedom to leave whenever they feel the company or their role is no longer a fit. However, when the tables are turned, there's no one person that can make the decision to let any colleague go, as this is something that's decided by a committee and typically, after a mediation. For us, this process is equally as important, as turnover is not simply calculated by voluntary decisions.

But even with a more democratic approach, for any organization that’s intent on growth, employee turnover on a singular company scale (vs. the economy example above) can be a hard pill to swallow. After all, it takes a lot of work to source, recruit, hire and onboard new employees. What’s more, losing employees undeniably has a price. A 2013 Inc. article even looked into naming these sometimes hidden costs, including:

- Lowered productivity
- Overworked remaining staff
- Lost knowledge
- Training costs
- Interviewing costs
- Recruiters

While a tremendous amount of employee churn can have negative affects on output and resources, a reasonable amount can be healthy. This is true for a number of reasons, including:

— **It Makes Room for Top Performers**: Every company wants to attract A-players, but especially in a structure that's FLAT, this is incredibly important. Holocracies operate under autonomous, self-managed processes, so finding colleagues that are intent on following through with their commitments, growing the company, and helping to lead others is crucial. Organizations want to attract and hire the best and the brightest. Sometimes, turnover is the way to achieve those goals. In short, employee churn can make room for colleagues who truly want to come on board to move the needle and allows for the "weeding out" of those who don't share the same values or goals.

— **A More Diverse Workforce**: With new employees comes a bigger pool of ideas and a wider array of experiences. By adding in employees with different backgrounds, industry insight and thoughts on how things could be more efficient, you give your company a competitive advantage. While employee retention is incredibly important, there is value in bringing on new colleagues with fresh outlooks and sometimes, in losing those who may not be able to keep up with the commitments required to help your company meet its fullest potential.

— **Moving On Means Growth**: If you're mentoring and helping your team to become better, of course there may be additional opportunities they'd like to pursue. But the fact is, you want your org to be filled with people who really want to be there and have found their passion in what they're doing. If someone outgrows the company, that's ok. Not only does this allow them to find a place where they're at their happiest, it leaves room for the company to find additional talent that's hungry, experienced, and focused on growth.

People and directions change, but helping your team members to find their passion (even if that means their place is no longer with your company) is a good thing for everyone. The bottom line is that, although losing employees can be difficult, when someone is ready to move on and/or is no longer a fit for the company, turnover is a necessary byproduct of growth. Any organization needs to ensure that their employees are not only productive, but also culture and value fits. No company should be a revolving door, but some employee turnover can make way for additional opportunities— for colleagues, prospects and the company.