



Korn Ferry Futurestep Survey: 90 Percent of Executives Say New Hire Retention an Issue

March 21, 2017

-- Majority Say Between 10 and 25 Percent of New Hires Leave Within First 6 Months --

-- Top Reason New Hires Leave: Their Role Wasn't What They Expected --

-- Ninety-Eight Percent Say Onboarding and Mentorship Programs Help Retention Efforts --

LOS ANGELES--(BUSINESS WIRE)--Mar. 21, 2017-- Nearly all (90 percent) of executives polled in a recent survey say that retention of new hires is an issue in their organization. In the survey, conducted by the Futurestep division of [Korn Ferry](#) (NYSE:KFY), the majority of executives also say that between 10 percent to 25 percent of new hires leave within the first 6 months.

Editor's Note: Survey Results at Bottom of Release

The top reason new recruits leave, according to the survey, is their role is different from what they expected it would be during the hiring process.

"With low unemployment rates and increased need for specialized talent, keeping new hires is a critical issue," said Bill Gilbert, president, North America, Korn Ferry Futurestep. "It's incumbent upon recruiters and hiring managers to paint a clear picture of what will be expected of the candidate in his or her new role, and make sure promises of resources, job structure and reporting relationships are fulfilled."

Nearly one-fifth (19 percent) of respondents say new hires leave because they don't like the company's culture. "Especially for Millennials, company culture is key to job satisfaction and companies must ensure they are correctly portraying the culture during the recruiting and onboarding processes," said Tim Powell, managing director, ANZ.

Nearly all the respondents (98 percent) say onboarding programs are a key factor in retention efforts, and 69 percent say they have formal onboarding programs for all employees. However, nearly a quarter (23 percent) say the programs last only one day, and approximately one-third (30 percent) say they only last a week.

"Onboarding must be about more than just the basic administrative processes such as entering time, submitting paperwork and logging onto the intranet," said Gilbert. "It should be an in-depth process that introduces the new hire to company culture, vision and strategic priorities, and should also help new hires understand available development opportunities to help them succeed in the organization."

Nearly half (42 percent) of respondents say they use data collected during the recruiting process, such as candidate assessments, to help with onboarding once the candidate is hired.

"Many of today's assessments provide a treasure trove of information about the candidates, such as their competencies, traits, drivers and experiences," said Powell. "Based on the individual's specific opportunities for improvement, Futurestep's offering provides clients with customized development and onboarding plans for new hires."

The survey also found that less than one-third of respondents (29 percent) say their company surveys new hires about the recruiting experience. Of those who do conduct surveys, more than half (52 percent) say they look at results on a regular basis to formulate / adjust hiring practices; 20 percent review results to help with retention strategies; and 10 percent use the data to trouble shoot when issues arise. Nearly one-fifth (18 percent) of respondents say they don't do anything with the data, even though they collect it.

"Candidates are the best source for insight into the recruiting process," said Powell. "Asking them how to make the experience better is an easy, direct way to enhance the ways companies source and attract the best and the brightest."

Finally, when asked about mentorship programs for new hires, 98 percent of respondents said such programs would help new hires acclimate to their new environment. However, nearly half (47 percent) do not have a formal mentor program.

"Mentor programs are not only beneficial for new hires to learn about an organization, they also benefit existing employees by helping them understand the viewpoints and experiences of those new to the company. This allows them to have different insights and encourages them to become more agile as they go about their jobs," said Gilbert.

About the survey

Korn Ferry fielded the survey in February and March 2017 and garnered 1,817 responses.

Survey Results

To what extent would you agree that retention of new hires is an issue?

To a great extent	54 percent
To some extent	36 percent
Not an issue	10 percent

What percentage of new hires would you estimate leave the organization within the first 6 months?

Less than 10 percent	36 percent
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Between 10 percent and 25 percent	52 percent
Between 26 and 50 percent	12 percent
More than 50 percent	1 percent
<i>What is the main reason a new hire would leave your organization within the first year?</i>	
Their specific role is not what they had anticipated during the hiring process	39 percent
Working for the company is not as presented during the hiring process	12 percent
They don't see a path for advancement	15 percent
They don't like their boss	15 percent
They don't like the company culture	19 percent
<i>Do you see onboarding as a key factor for retention?</i>	
Yes it is a key factor	74 percent
Somewhat	24 percent
No	2 percent
<i>Do you have a formal onboarding program for new employees?</i>	
Yes for all employees	69 percent
Yes, but only for entry-level employees	10 percent
Yes, but only for senior-level employees	4 percent
We do not have a formal onboarding program	17 percent
<i>If your organization has a formal onboarding program, how long does it last?</i>	
One day	23 percent
One week	30 percent
One month	19 percent
60-90 days	22 percent
Six months	3 percent
One year	3 percent
<i>Does your organization use any information collected during the recruitment process (e.g. candidate assessments) to assist with onboarding once the candidate is hired?</i>	
Yes, we use information collected during recruiting	42 percent
We use assessments for recruiting, but we don't use the information during onboarding	32 percent
We do not collect any data about candidates during recruiting	26 percent
<i>Does your organization survey new hires about their recruitment experience?</i>	
Yes	29 percent
No	71 percent
<i>If your company surveys new hires about their recruitment experience what do you do with the data?</i>	
We look at it on a regular basis and trouble shoot when there are issues	10 percent
We look at it on a regular basis to formulate / adjust hiring practices	52 percent
We look at it on a regular basis to boost retention	20 percent
We don't do anything with it	18 percent
<i>Does your organization have a mentor program for new hires?</i>	
Yes for all employees	23 percent
Yes for entry-level employees	20 percent
Yes for senior employees	9 percent
We do not have a mentor program for new hires	47 percent
<i>Would a mentor program for new hires help them acclimate?</i>	
Yes to a great extent	67 percent
Yes to some extent	31 percent
Would not help or hurt	1 percent
No to some extent	1 percent
No to a great extent	0 percent

About Korn Ferry

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