



WHITEPAPER

ISSUE 3 / JUNE 2018



HOW JANITORIAL TURNOVER IMPACTS YOUR BUSINESS

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Employee turnover in the commercial cleaning industry is high, averaging around 200 percent and sometimes reaching as high as 400 percent annually. To put this into perspective, if a janitorial company has a team of 100 employees, and a turnover rate of 200 percent, that's 200 new hires each year; a staggering statistic, but unfortunately not a new one. According to a survey by Procter and Gamble Professional, changing faces in janitorial service has been a frustration for years.

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"If you look at surveys of what's important to people in the cleaning industry, turnover is always in the top five," says Jim Peduto, co-founder and Chief Operating Officer of cleaning industry consultancy, the American Institute for Cleaning Sciences.

Losing employees is not only an administrative hassle for a cleaning company; it's expensive, especially if it happens consistently. Recruiting, onboarding and training new employees drive labor costs up, while ROI takes a nosedive when those employees quit. Learning curves for new hires as they establish a rhythm and acclimate to new duties and procedures are also a concern. Quality suffers when tasks are missed or poorly executed, supplies are overused or equipment is damaged. All of these issues create extra costs that are likely passed onto the customer, who ends up paying more for less.

So what causes employees to leave? How can commercial cleaning companies find and keep the very best people? And what are the real costs to facility managers when their cleaning staff jumps ship? This white paper explores the unfortunate turnover phenomenon within the janitorial industry, examines what a high attrition rate means for a business and offers insights into what a facility manager should look for when hiring a commercial cleaning company.

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WHY DO EMPLOYEES JUMP SHIP?

There are myriad reasons why a cleaner might become dissatisfied with his or her employer and decide to head for greener pastures.

Low wages. Cash is king as they say, and it certainly is no different in the janitorial industry. Competitive, or if possible, above market pay with benefits is the first important step to retaining happy, satisfied employees who are willing to stay put with a company. It's important to note, however, that wages can vary depending on a facility's location. Often, facilities in affluent, suburban areas are more difficult to staff than those located in urban city centers. Facility managers must adjust their pay rate to accommodate the financial demands of workers in these higher income and less dense neighborhoods.

Location. Location. Location. Just as real estate companies understand the importance that location plays in determining how easy a property might be to sell, the same holds true for the ease at which a facility can attract and retain a top notch cleaning staff. Distance from home and available transportation are key considerations for cleaning professionals. If it's a struggle to get to work everyday, it's very tempting to look for employment closer to home. That's why it's often more difficult to attract and retain good team members in areas where they don't typically live.



Minimal training and accountability. Comprehensive training programs are necessary for exemplary performance. Companies which don't train their team members sufficiently, give them opportunities to learn new skills or hold them accountable for doing their job well, will generally get what they give, which is not much. Cleaners, just like employees in any industry, need to feel they have the ability to succeed in their job. Not having a clear understanding of duties or expectations is a recipe for failure and frustration for both the employee and the boss.

No incentives. Nothing extinguishes the flame of excitement and enthusiasm faster than receiving little or no acknowledgement for a job well done. Although pay will always trump a pat on the back, recognition is the extra glue that keeps an employee attached to a job even when the going gets tough. Incentives and rewards for meeting goals or even outperforming peers can go a long way toward employee satisfaction, but they need to be perceived as substantial, especially if the pay remains the same. In fact, studies show that employers who recognize their team members' achievements enjoy a voluntary turnover rate 31 percent lower than those who do not.

Feeling undervalued. Cleaning is not a glamorous job, but it is one that is certainly needed and should be appreciated. Asking for feedback is a great way for a commercial cleaning company to show team members they have their back and are interested in what they have to say. Employees who have no voice or feel undervalued by their company or their customers will quickly lose interest and potentially look for work elsewhere.

Other job opportunities. According to the Bureau of Labor Statistics, the demand for contract cleaners is projected to grow 12 percent through 2022. With more opportunities to choose from, it's easier to leave a job that isn't satisfying and find one that is. In addition to competitive pay, comprehensive training, incentives and recognition, offering opportunities for advancement and promoting from within are good ways to keep good employees onboard.

Hating the boss. Perhaps one of the most important reasons employees move on, however, is the relationship they have with their supervisor or account manager. A recent Gallup study of 7,272 U.S. adults found that 50 percent of employees left their job "to get away from their manager to improve their overall life at some point in their career." As we've heard millions of times before, people leave managers, not companies. The same holds true in the janitorial business.

And although the struggle to retain good contract cleaners is a major concern for commercial cleaning companies, the impact a revolving door of employees has on the facility it serves is just as great.

Some companies take the "easy way out" by subcontracting their high turnover work.

WHAT ARE THE REAL COSTS OF TURNOVER FOR A BUSINESS?

If you think employee turnover is just a problem for the cleaning company, think again. A steady stream of new faces in and out of your building is a red flag that you may very well be paying more for less. What are some of the real hard costs that are sometimes swept under the rug?


Substandard work. Receiving excellent service on a regular basis is difficult when new people are cleaning your facility all the time. While they're getting up to speed on the tasks at hand, your facility could be suffering from substandard and inefficient work. Newly hired team members often get less done and are more likely to miss tasks, damage equipment and overuse supplies as they train. No facility manager wants to be a consistent training ground for new hires. Experienced employees are more efficient, do their jobs better and are more attuned to exactly what their customers want and need.

Compromised safety. Good commercial cleaning companies follow stringent security processes when hiring to keep their customers, employees and facilities safe. They conduct extensive background criminal record checks and drug screenings for every new employee. They also offer safety training programs to alleviate workplace injuries, such as slips, trips and falls. High turnover could mean less time and resources available to be as thorough as possible when hiring and training new cleaners. Cutting corners and not doing the due diligence required when hiring new employees could compromise the safety of everyone in your building, as well as the facility itself.

Inconsistent message. When cleaning staff changes too often, it conveys a message of inconsistency and instability to a building's occupants. Security comes into question, and that can adversely affect a businesses' reputation and the overall perception of the facility.

The bottom line. You get what you pay for...most of the time, but when a janitorial company has to hire new people because of turnover, it can be very expensive for them and for their customers. Recruitment of new employees, onboarding and lost productivity while new hires learn their jobs are all extra costs. If it costs

\$1000 to hire a new employee, in order to sustain a team of 100 workers at a 200 percent turnover rate, the cleaning company must hire 200 workers each year, which adds \$200,000 to their annual costs; costs which are likely to be absorbed by the customer. In addition, the amount of money spent on new hires is money that is not being invested in new equipment, technology and training programs. So basically, it's a lose/lose for everyone involved.



4M'S TURNOVER RATE
CURRENTLY AVERAGES 87.76%
COMPANYWIDE. THAT'S WELL
BELOW THE INDUSTRY
AVERAGE OF 256%!

SO WHAT'S THE CURE FOR THE TURNOVER BLUES?

Although a certain percentage of turnover is expected in the janitorial industry, a steady stream of new cleaners in a facility is definitely not good for business. Partnering with a commercial cleaning company with a turnover rate well below the national average is ideal.

Here are a few things to look for in a quality service contractor:

- Realizes that their employees are their most valuable asset and treats them as such by offering them competitive wages and benefits.
- Understands the relationship between high employee attrition and higher customer attrition.
- Offers their employees the tools, resources and training they need to succeed at their jobs.
- Recognizes and rewards their employees' good work.
- Provides managerial support and feedback.
- Encourages their employees to voice their concerns.
- Adheres to a comprehensive hiring process to ensure the security of employees, customers and facilities.

At 4M Building Solutions, we take great pride in our Team Members and have put them first in everything we do for the past 40 years. Maybe that's why our turnover rate currently averages only 87.76 percent companywide, well below the current industry average of 256 percent. Our employees' dedication, can-do attitude and professionalism have made 4M the absolute best building services partner in the industry. [Contact us](#) to learn more.