

# Reducing Employee Turnover



**DECAL**  
**Thriving Child Care**  
**Business Academy**

## Learn cost-effective, simple strategies for retaining employees at your business

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Employee turnover is a normal part of running a business, as it reflects the natural movement of employees seeking new opportunities, career growth, or better alignment with their personal circumstances. However, in child care businesses specifically, turnover might be higher because employees face challenging work with long hours, physical strain, and emotional stress. On top of that, child care workers often face lower pay and limited chances for career advancement, which can make them look for better options elsewhere. It's a competitive market too, with a high demand for qualified child care professionals. The good news is that understanding these factors can help businesses develop good retention strategies that keep their employees happy and motivated. This guide discusses the impacts of higher rates of employee turnover, some strategies you can implement at your business, and how to figure out where to get started.

### Why is it important to keep turnover to a minimum?

Employee turnover poses significant challenges for child care businesses, both for business operations as well as for children and families. On the business side, the process of finding and training new staff members is time-consuming and costly, and it requires valuable resources and time away from providing quality care for children. Additionally, consistency and familiarity are vital in creating a nurturing and stable environment for children. When caregivers frequently change, it disrupts the sense of security and the development of strong bonds between children and their caregivers. Moreover, building trust and rapport with parents is essential for child care businesses. Constant employee turnover makes it difficult to maintain those relationships. Considering all these factors, employee turnover becomes a major hurdle that child care businesses must overcome to provide the best possible care for children.

### What can I do to get started?

First, take a moment to consider what could be contributing to higher turnover rates at your business. Consider asking yourself the following questions:

#### Do your employees seem happy?

1. Do they seem satisfied with their compensation and benefits packages?

2. Is there access to growth and advancement opportunities in your organization?
3. How is the overall work environment and company culture?
4. Are employees receiving effective management and leadership support?
5. Do employees have the opportunity to provide feedback and voice concerns, and how is that feedback being taken into consideration?

By proactively addressing the underlying causes of turnover, such as improving compensation, providing ample growth opportunities, and implementing strong management practices, you can instill a sense of value and appreciation in employees. The outcome is higher retention rates, ensuring consistent and quality care for children, and ultimately bolstering the child care business's success and long-term growth.

Depending on your business needs, there are many cost-effective, simple strategies that you can implement to help reduce turnover and maintain stability for your business and the children in your care:

**Offer competitive pay and benefits:** One of the most effective ways to reduce turnover among employees is to offer competitive pay and benefits. Competitive pay is a crucial factor in reducing staff turnover for several reasons. Firstly, offering competitive compensation ensures that employees feel valued and fairly rewarded for their work, which increases their job satisfaction and reduces the temptation to seek higher-paying opportunities elsewhere. Secondly, competitive pay helps attract and retain top talent, as professionals are more likely to stay with a company that offers better financial rewards and benefits. Lastly, fair compensation demonstrates the company's commitment to employee well-being and creates a positive work environment that fosters loyalty and long-term commitment.

Benefits also contribute to employees feeling valued for their hard work. This can include health insurance, paid time off, and retirement benefits. Small businesses with limited resources can still increase employee retention by considering strategies such as offering group health plans or partnering with third-party providers for affordable options. Offering low-cost retirement benefit options for employees can give you the most bang for your buck, as it provides long-term financial security, is highly valued by employees, and does not impose significant immediate costs on the business. Providing flexible work arrangements, like flexible hours, is also highly desirable for employees and can help attract and retain skilled professionals. Generous vacation time or flexible scheduling policies are additional low-cost methods of promoting work-life balance that employees may value.

**Provide opportunities for career development:** Providing opportunities for career development and advancement can be a powerful motivator for employees as they provide a sense of growth, progress, and personal fulfillment, allowing individuals to enhance their skills, expand their knowledge, and advance their careers. These avenues for growth show employees that the organization values their long-term success and is dedicated to their advancement.

Additionally, investing in career development opportunities for your employees provides them with a sense of purpose and direction, and reduces the likelihood of employees seeking better-paying opportunities elsewhere. When organizations demonstrate a clear pathway for growth and advancement, employees are more likely to remain committed and loyal. They understand that their efforts and dedication can lead to promotions or higher-paying positions in the future. By offering these opportunities, organizations not only motivate and retain their employees but also foster a culture of continuous learning and development, benefiting both the individuals and the overall success of the business.

**Create and maintain a positive work environment:** Creating a positive work environment is crucial for employee retention. One important aspect is fostering open communication within the organization. By encouraging employees to express their thoughts and ideas freely and providing platforms for effective communication, trust and strong relationships can be established. Transparent communication from management about organizational updates and changes also contributes to a sense of inclusion and shared vision, helping employees feel engaged and valued.

Additionally, providing opportunities for employee feedback plays a crucial role in creating a positive work environment. Regular feedback sessions, surveys, or suggestion boxes allow employees to voice their opinions, contribute to decision-making processes, and feel that their input matters. This fosters a sense of ownership and engagement, further enhancing employee satisfaction and retention.

**Support meaningful employee engagement:** Engaging employees in decision-making and problem-solving fosters a sense of ownership and investment in the workplace. One effective approach is conducting employee surveys to gather valuable insights and feedback. By seeking input on various aspects of the organization, such as work processes, policies, or team dynamics, employees feel valued and involved in shaping their work environment. Additionally, holding regular team meetings provides a platform for open discussions and brainstorming sessions, allowing employees to contribute ideas, share perspectives, and collaborate on solving challenges. This inclusive approach empowers employees and encourages them to take ownership of their work and contribute to the overall success of the organization.

Furthermore, organizations can foster employee engagement by actively encouraging and recognizing employee ideas and suggestions. Creating a culture that values and celebrates innovative thinking and creative problem-solving can inspire employees to share their insights and contribute their unique perspectives. By providing channels for employees to submit ideas or suggestions, such as suggestion boxes or digital platforms, organizations demonstrate their commitment to involving employees in decision-making. This not only helps generate fresh ideas and solutions but also cultivates a sense of trust and collaboration within the workforce, ultimately leading to increased employee satisfaction and retention.

**Regularly recognize and reward employees:** Recognizing and rewarding good performance is a powerful motivator for employees and plays a crucial role in reducing turnover. When employees feel valued and appreciated, they are more likely to have a positive attitude towards their job and the organization, fostering loyalty and commitment. Implementing recognition strategies can be easily done by creating a culture of appreciation, where managers provide regular verbal praise and positive feedback, and written notes or small tokens of appreciation are used to express gratitude. Structured recognition programs that involve peer-to-peer appreciation can also be established to foster a positive and supportive work environment. These strategies significantly reduce turnover, enhance job satisfaction, and strengthen employee loyalty.

Reducing employee turnover in child care businesses is a critical goal that can be achieved by understanding the unique challenges of the industry and implementing effective strategies. While turnover is a normal part of running any business, it can occur at higher rates in child care due to various factors. By asking ourselves key questions and exploring low-cost strategies, we can identify and address the underlying causes of turnover, create a positive work environment, and foster employee loyalty. Remember, even small changes can have a significant impact on reducing turnover and ensuring the best possible care for children. With dedication and thoughtful consideration, child care businesses can create a supportive and fulfilling workplace that attracts and retains top talent for the long term.

## **Additional Resources**

**If you have questions or need help, assistance is available.**

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