

Using Access Based Plans to Reduce Turnover



Turnover is expensive. Other employees typically have to pick up the slack as managers fill the line positions, which can weaken morale and accelerate the cycle of turnover.

According to a recent study from Cornell's School of Hotel Administration, The cost of losing and replacing one hourly employee can be as high as **\$5,864**. If a restaurant is maintaining a 73% annual employee turnover rate, they are potentially losing **\$428,072** annually as a result.

One Solution - Escalator Retention Strategy

30 | 60 | 90 Day Onboarding Checklist - Many businesses adopt a 90-day trial period for new employees, so the restaurant/hotel and the employee have ample time to decide if their employment is a right fit. A customizable **90| 360 | 720 Day Escalator Retention Plan, using Access Based Health Insurance** will help incentivize your new employees' to remain with the restaurant/hotel a significantly longer term.

Access Based Insurance Plans can take any form you would like and are infinitely flexible, these examples below are flexible and affordable and reward the employee who stays:

- **90Days** – Employer provides a 75% contribution to a limited benefit plan (cost to employer approximately \$75 pepm)
- **1 Year** – Employer pays either 100% of the health plan, 50% of the family coverage. (cost to employer \$100 to \$125 pepm)
- **2 Years** – Employer pays either 100% of the single cost for an upgraded plan or 100% for a basic plan on a composite basis (includes employee and family) (cost to employer \$200 to \$220 pepm)



Key to this strategy: *Constantly remind employee that they are mere months away from a bonus benefit increase*