

# Your 5-Point Checklist for Increasing Employee Retention



A fast employee churn rate can lead to higher training costs, low employee morale, and operational inefficiencies. Eventually, it can reduce your profits and negatively impact your bottom line. That's why it's important for businesses to learn how to prepare for it and, better yet, work to improve employee retention.

While there may be signs that the [Great Resignation](#) is easing slightly, the ongoing exodus of workers is a challenge leaders will have to contend with for the foreseeable future. A [Workhuman® iQ survey](#) of more than 3,500 workers in the U.S., U.K., Ireland, and Canada offers some revealing insights into the root causes of why employees are leaving their jobs – and a roadmap for how companies of all sizes can retain more of their talented humans.



## Employee Turnover by the Numbers

Overall, nearly 38% of those surveyed by Workhuman are planning to look for a new job in the next 12 months. This projected voluntary turnover has the potential to cost businesses billions.

In fact, according to [Gallup](#), the cost of replacing an individual employee can range from one half to two times the employee's annual salary – and that's a conservative estimate. So, a 100-person organization that provides an average salary of \$50,000 could have turnover and replacement costs of approximately \$660,000 to \$2.6 million per year.



In addition, nearly 19 million people either change occupations or exit the labor force each year, creating an average turnover rate of 20%. With that as a backdrop, let's look at some of the main reasons employees continue to leave companies.

# Top Reasons for Employee Turnover

## Employee Burnout & Dissatisfaction with Opportunities

Salary isn't the only reason workers are leaving their jobs. It should be no surprise many workers are reevaluating their jobs considering the stress and isolation they've endured these past few years.

A March 2022 survey by the [Pew Research Center](#) found that while low pay was the primary reason people left their jobs last year, it was closely followed by respondents saying they lacked opportunities for advancement in their role. And 35% of people said that feeling disrespected at work was a major reason they left.



## US Employee Turnover Statistics at a Glance

**18.9M**

Americans who either exit the labor force or change occupations every year

**5.5M**

total number of separations as of Q1 2021

**3.5M**

workers who quit their jobs at the beginning of 2020

**20%**

average turnover rate

**2.3%**

average quit rate = 3.4 million resignations

**1.2%**

average discharge rate = 1.8 million discharged

Sources: Aon, USA Today, Work Institute, US Bureau of Labor Statistics

One study from the University of Chicago found that employees worked more hours during the pandemic, but their productivity dropped. For many people, working for the past two years may feel like running on a treadmill that never turns off.



[Research](#) by Mental Health America and FlexJobs shows that 76% of respondents agreed that workplace stress affects their mental health and have [experienced burnout](#).

Burnout is an extreme form of workplace stress whereby the stress you are experiencing makes way for mental



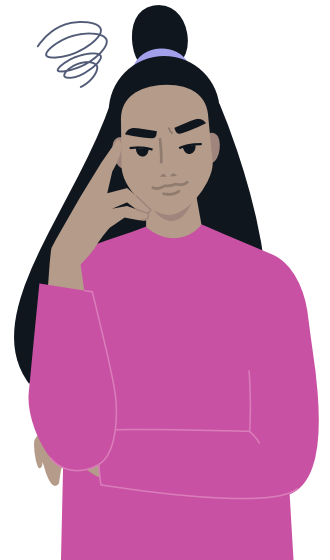
and emotional exhaustion. The World Health Organization (WHO) characterizes burnout by three main dimensions:

- Feelings of energy depletion or exhaustion
- Increased mental distance from one's job, feelings of negativism or cynicism related to one's job
- Reduced professional efficacy

## Flexibility & The Remote vs. Return Debate

The pandemic forced a dramatic shift in the employer-employee relationship. It's also helped workers realize what really matters when it comes to their careers. In Workhuman's survey, nearly one-third (30%) of those workers planning to look for a new job cited, "I want more flexibility" as their primary reason for doing so.

**Reverting to a fully in-person workplace:** Just 3% of white-collar workers want to return to the office full-time (according to survey results published by [Fortune](#)), and more than half of respondents in multiple surveys have shown workers will consider leaving their company if forced into full-time in-person workplaces, and many speculate this is a foundational, long-term shift in worker expectations.



**Switching to a fully remote workplace:** Globally, about 16% of companies are fully remote, and those who have embraced a fully remote workforce are both setting expectations among workers about what the workplace experience should and shouldn't entail (flexibility, autonomy; savings of cost and time associated with the elimination of the daily commute; lifestyle flexibility to keep their job if they want to relocate to a different city, state or even country).

**Supporting a hybrid workforce:** This is the model most workers say they want — not to be fully remote full-time, but a position that gives them the flexibility to work remotely when and how they need. The statistics are compelling — in a [global survey](#) conducted by Slack, 78% of respondents said they wanted workplace location flexibility, and 95% said they wanted schedule flexibility.

Finally, a study highlighted by [Harvard Business Review](#) found that 59% of workers find flexibility more important than salary. It suggests that workers seek autonomy to decide when and where they work rather than a set hybrid schedule of in-person and remote workdays.

If employers aren't willing to extend flexible scheduling to their workers, people are ready to take their skills elsewhere.

## Poor Manager-Employee Connection

The shift in where work gets done, with increased flexibility, is good for employees. But for organizations and people leaders, it makes the need for clear, consistent communication even more important. Leaders can no longer rely on word-of-mouth or quick lunchroom conversations for important information about company initiatives to circulate throughout the organization.

Data from the Workhuman's survey report shows that frequent check-ins are critical in the manager-employee relationship. Employees were asked to rate their manager on a scale of 1-10 based on how well their manager keeps them motivated and engaged.

When managers check in at least weekly, their rating is nearly 2x higher than managers who never check in. Likewise, workers who received feedback within the last month – as opposed to never – are much more likely to feel a sense of connection to their company as a whole.



For strategies on how to lead with empathy and establish meaningful connection with team members, check out [this article](#).





## Psychological Safety

Today, there's a more nuanced lens on diversity, equity, inclusion, and belonging – and it's called psychological safety – that companies should address to stay competitive in this job market.

Workers resoundingly express dissatisfaction with a workplace culture where their voices aren't heard, blame-placing is rampant, or any one of many toxic elements in an organization's culture may exist. What they are really talking about is a lack of psychological safety.

First coined by Amy Edmondson in a 1999 journal exploring its relationship to team learning and performance, psychological safety is the ability to speak one's mind without fear of punishment or embarrassment. At the heart of a psychologically safe environment is a sense of belonging with or being accepted by others. Feeling accepted reduces anxiety associated with interpersonal risk, allowing learning to occur. Learning improves the quality and frequency of contributions, and ultimately leads workers to identify and own productivity and efficiency improvements.

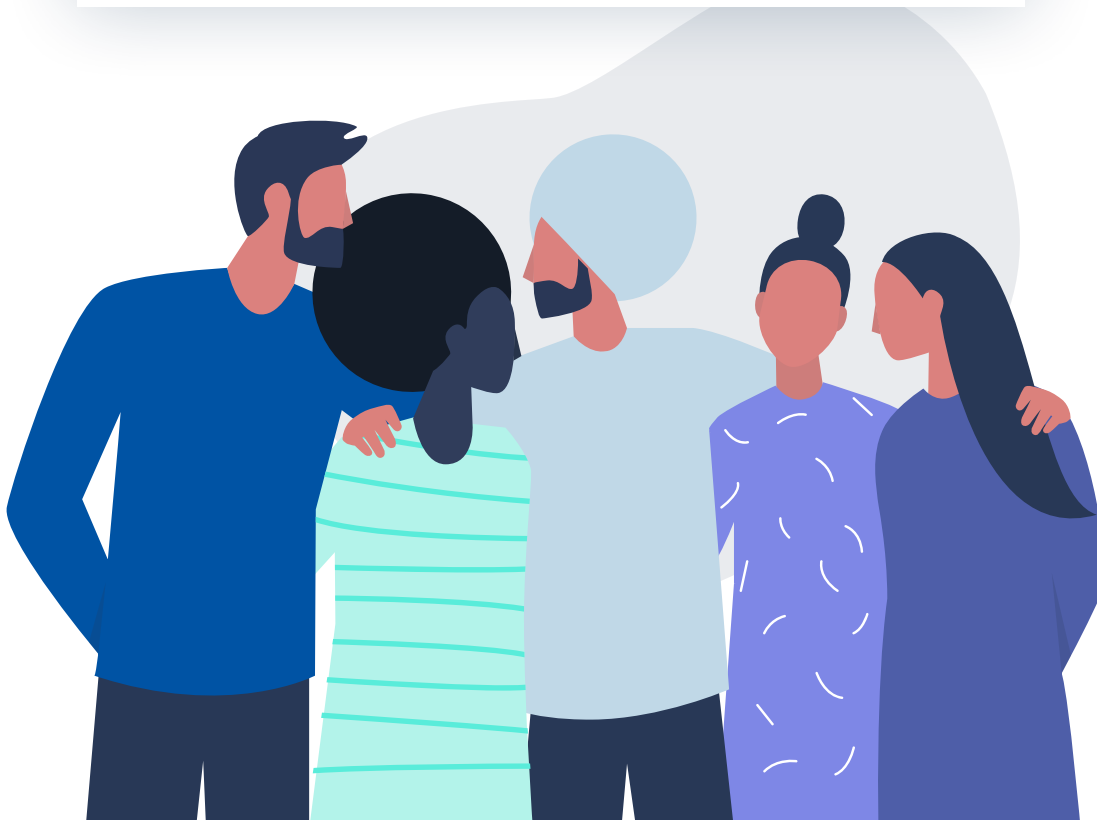
Looking again at the issue of working remotely, surveys also show that worker apprehension and anxiety about their working location and conditions are improved

dramatically when their organizational leaders and managers are clear and transparent about the decision-making process, especially when employees are given a voice in the process. Being inclusive creates a sense of belonging and makes employees less likely to go find it elsewhere.

“

Psychological safety means an absence of interpersonal fear. When psychological safety is present, people are able to speak up with work-relevant content.”

Amy Edmondson, the Novartis Professor of Leadership and Management at Harvard Business School



# The Best Ways to Increase Employee Retention

While we may be a ways away from a Great Retention, research from Robert Half suggests that many workers remain confident about their prospects in the current hiring market, which means employers must still be vigilant about the risk of top performers walking out the door.

Robert Half's Job Optimism Survey of more than 2,400 professionals, which tracks worker sentiment on current and future career prospects, finds that 41% of respondents planned to look for a new role in the second half of 2022. So, now is the time to confirm that your business is doing the right things to help drive employee job satisfaction and, ultimately, the retention of highly valued talent. Here are the top areas to focus on.

- ✓ Learning development & professional advancement
- ✓ Embracing flexibility in how and where work gets done
- ✓ Wellbeing and recognition
- ✓ Connection, communication & feedback
- ✓ Safe spaces based on trust

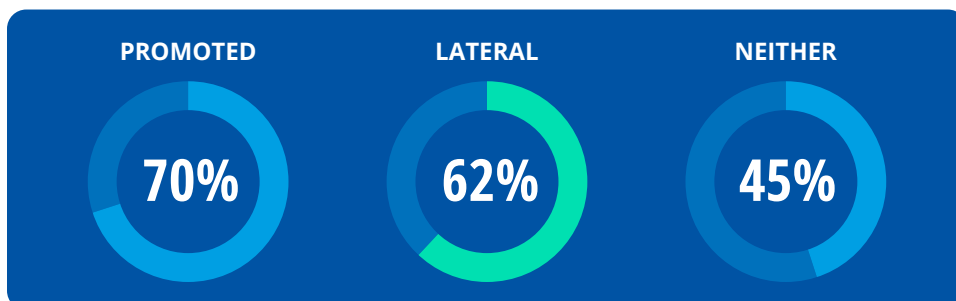
# Employee Retention Checklist



## Invest in Mentorship, Learning & Growth Initiatives

In a study of [32 million profiles](#) of active LinkedIn users who've worked at a larger company (one with more than 500 employees) since 2013, data show that the likelihood an employee stays with a company decreases as the years pass. One year after being hired, there's a 76 percent chance the worker will still be with the company. By year five, estimated retention is down to 38 percent.

But employees who were promoted within three years of being hired have a 70 percent chance of staying onboard, and those who made a lateral move have a 62 percent chance of staying. Those who were not promoted and who did not change jobs internally have only a 45 percent chance of remaining.



Further, Lighthouse Research & Advisory found that 88% of employees would stay at a job if they had career and growth opportunities ahead, but more than 60% have left a job in the past because they didn't see any way to advance.

This data suggests that employers should rely on building, developing, and retaining their workforce through internal mobility programs tied to reskilling initiatives or engaging contingent talent to support employees.

Increased engagement, lower costs, and a shorter time-to-hire and onboard are just a few of the benefits of the shift to internal mobility, but the biggest benefit may be improved retention, said Mark Lobosco, Vice President of Talent Solutions at LinkedIn.

“Data show that employees stay 41 percent longer at companies that hire internally compared to those that don’t. As companies continue to experience the benefits of internal mobility, we’ll begin to see it shift from an ad hoc solution to an essential corporate strategy. This will lead to HR and L&D partnering closer than ever before to better understand existing skill sets, address skill gaps in their organization and build more robust internal mobility programs.”

In addition, consider mentorship that pairs employees. Pairing a new employee with a seasoned team member is a great component to add to your extended onboarding

process, especially in a remote work environment. Mentors can welcome newcomers into the company, offer guidance, and be a sounding board. And it's a win-win: New team members learn the ropes from experienced employees, and, in return, they offer a fresh viewpoint to their mentors.

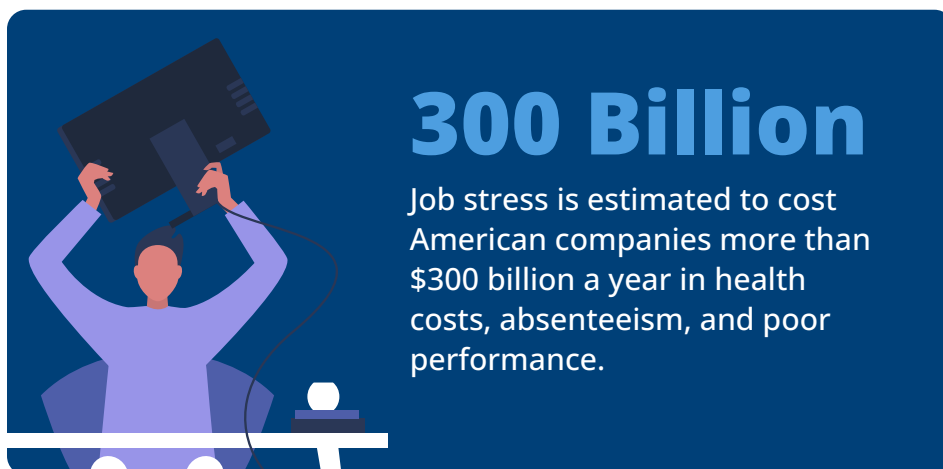


## **Embrace Flexibility**

In this area, there are some key questions for leadership to take stock of: What message is your time management sending to employees? Do you expect staff to be available around the clock? Do you take time off?

A healthy work and personal life is essential to job satisfaction. People need to know their managers understand they have lives outside of work — and recognize that maintaining balance can be even more challenging when working from home. Encourage employees to set boundaries, take their vacation time, enable them to schedule their time in the office, and consider mental health days. And if late nights are necessary to wrap up a project, consider giving them extra time off to compensate. Those at the highest levels should be a model for this behavior.





Organizations that promote work-life harmony have seen greater engagement and productivity – and a reduction in employee burnout and turnover. If you're not sure where to start, consider a survey asking your employees what they would need to achieve better work-life harmony.



### **Support Wellbeing & Celebrate Wins Often**

Keeping employees fit — mentally, physically and financially — is just good business. According to a [Future of Benefits Study](#), 80 percent of employers said their company culture has been more accepting of mental health challenges, but only 59 percent of workers agree with that assertion. Furthermore, 77 percent of employers said leadership at their company encourages conversations about mental health, but only 56 percent of workers agreed with that assertion. But the tide is changing.

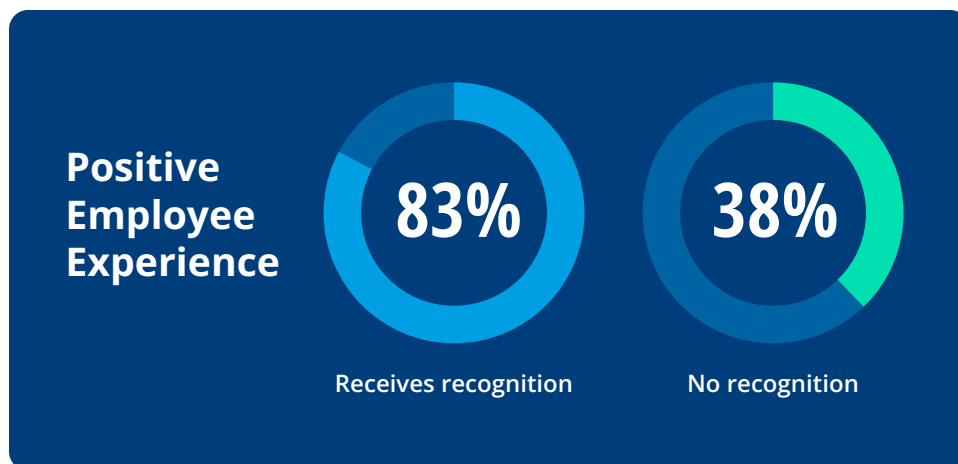
Many leading employers are working to expand and improve their wellness offerings to help employees feel supported and prioritize their wellbeing. Stress management programs, retirement planning services and reimbursement for fitness classes or gym memberships are just some examples of what your business might consider providing to employees.



**Click for 7 Actionable Steps  
to Prioritize Your Employees'  
Mental Health**

In addition to taking steps to prioritize employee wellbeing, recognizing employees for the work they do is proven to increase engagement, satisfaction, and productivity in the workplace. And for organizations struggling to minimize burnout and maintain productivity, authentic appreciation may be a viable solution.

Appreciation, gratitude, and recognition are integral to creating a positive employee experience. Workhuman's Employee Experience Index with IBM Smarter Workforce Institute – based on a study of more than 23,000 workers – showed that when employees receive recognition for doing good work, 83% report a more positive employee experience. When workers don't receive recognition, only 38% have a positive experience.



An employee recognition program can be formal or as simple as increasing and normalizing appreciation. In fact, when employees are thanked 12 times, attrition falls to just 2%. Workers recognized in the last month are half as likely to be looking for a new job (26% vs 49%). And you can even institute compelling recognition programs even if you have a small team or limited budget. Here are [some ideas](#) to get started.

Although organizations typically recognize employees' length of service as milestones and instances of strong individual or team performance, many organizations are beginning to focus on other, less traditional areas for recognition because they acknowledge greater impact and reinforce the kind of behaviors the organization values. Among them include:

- The ability to manage or champion change
- Product innovation
- Fail-to-learn recognition for someone who took a good risk, went outside of their comfort zone, or created a new outside-of-the-box opportunity to pursue or learn from
- Systems improvements
- Customer or client retention
- Morale-building or culture championing
- Talent acquisition and retention
- Market diversification
- Technological advances
- Significant personal development
- Actions that embody the organization's core values

Spotlighting strong performance transforms a satisfied employee into one who actively pushes for greater things.

- 1. Drives Excellence** – Employee recognition is the foundation for creating a high-performing team – one based on appreciation and empowering individuals. It strengthens relationships and provides a clear purpose aligned to achievable goals. Recognizing performance allows business leaders to drive toward key goals like retention and culture by connecting people and culture to shared purpose.
- 2. Increases Engagement** – Many people leave their jobs due to lack of recognition, while recognition is one of the top drivers for attracting candidates. Recognition

not only reduces turnover by helping to stabilize your work environment, but it can help bring top talent into your organization. 84 percent of those surveyed in this [SHRM/Workhuman Employee Recognition Survey](#) said that social recognition measurably and positively impacted engagement.

- 3. Reinforces Company Values** – Employee recognition puts the power of gratitude to work, aligning your people and culture to a shared purpose. Because employee recognition should be designed with rewards that map back specifically to each value, it integrates those ideals into employees' everyday thoughts and actions.
- 4. Nurtures Trust** – [According to a 2017 study](#), nearly 90 percent of employees who received recognition from their boss indicated high levels of trust in that relationship vs. just 48 percent for those who received no recognition. Strong organizational trust is a key indicator for profitability. Research has shown that workers who trust senior leaders are nearly 2x as likely to be engaged.
- 5. Impacts Bottom Line** – Research overwhelmingly shows that recognized employees are more likely to stick with you. Organizations with formal recognition programs have 31% less voluntary turnover than organizations that don't have any program at all.



## Make Time to Connect & Communicate



The shift to hybrid and remote work has underscored the importance of good workplace communication. Your direct reports, whether they work on-site or remotely, should feel they can come to you with ideas, questions, and concerns at any time. And as a leader, you need to make sure you're doing your part to help promote timely, constructive, and positive communication across the entire team. Make sure you proactively connect with each team member on a regular basis, too, to get a sense of their workload and job satisfaction.

As a part of those check-ins or one-on-ones, be sure to bake in continuous [feedback on performance](#). In fact, many employers are abandoning the [annual performance review](#) in favor of more frequent meetings with team members. In these one-on-one meetings, talk with your employees about their short- and long-term professional goals and help them visualize their future with the company. While you should never make promises you can't keep, talk through potential career advancement scenarios together and lay out a realistic plan for reaching those goals.

Frequent check-ins can prevent a spiral of disengagement and exhaustion – and demonstrate employees have the support and guidance they need. When done effectively,



these meetings create a stronger sense of trust, connection, and belonging. And that's the kind of nurturing culture where employees will want to stay – and grow.

To create more meaningful human connection with your employees and among your team members, enable them with effective collaboration tools and be sure to focus on areas that can make the most impact, like empathy. Here's a quick [cheat sheet](#) to get started.



## Create a Safe Space & Environment Based on Trust

Focusing on building trust and engagement is worth it. Research has shown that workers who trust senior leaders are nearly **2x** as likely to be engaged, and that translates into successful business outcomes. Many U.S. studies report high-trust organizations are **2.5x** more likely to be high-performing revenue companies than their low-trust counterparts. In 2016, Bart de Jong and colleagues conducted 112 studies with nearly 8,000 teams, finding a positive relationship between intra-team trust and [achieving shared goals](#).



**2X**  
more engaged



**2.5X**  
more profitable

A willingness to be vulnerable is one of the states in which we can build trust. Mayer, Davis and Schoorman, in their development of a Trust Model, discussed three elements that must be in place before we allow ourselves to be vulnerable, taking the risk to trust. We allow ourselves to be vulnerable when we believe someone:

- Shows Ability – knowledge, skills, competencies that allow someone to have influence in a specific area.
- Has Integrity – is on the same page with us about the principles we uphold—often implicitly assumed.
- Is Benevolent – the extent to which we believe that a person wants to do good for us. It's about caring about the other person, not having a vested interest, and not benefiting from the relationship.

As you might guess, an employee engagement strategy centered on building trust typically takes time because it's based on experiences. However, in today's remote and hybrid work reality where things happen quickly and there is less opportunity for organic interactions, managers need to expedite the process if you want employees to perform better and achieve results – both of which contribute to key business outcomes.



To accelerate trust-building and the creation of safe spaces for employees, consider investing in [trust-building collaboration technology](#). When you invest in software

solutions as part of your employee engagement strategy, the key is both understanding your employees' behaviors and motivators and then allowing all team members to leverage their own and teammates' data to improve self-awareness, build connection more quickly, and enhance team collaboration.

One of the most effective ways to do this – quickly and easily – is to use an add-on to your existing communication tools. This surfaces actionable insights – generated automatically from self-assessments – into the existing daily workflows of all teams — within chats, team channels, emails, and meetings. Your team can have access to the kind of information needed to better understand, connect, and collaborate with another – the kind of information that normally only comes after months, if not years, of working with one another. Here's an example of tips Dave should use while emailing with his colleague, Juan.

The image shows a screenshot of an email composition window. The 'To' field is selected, and a dropdown menu is open, displaying communication tips for Juan. The tips are organized into sections: 'Personas' (Maverick, Architect, Helper), 'Communicating with Juan', and 'Influencing Juan'.

**From** ▼ david.snider@humantelligence.com

**To** ▼ juan@humantelligence.com

**Cc**

**Subject** Important proposal for review

**ht EQ Everywhere**

Personas

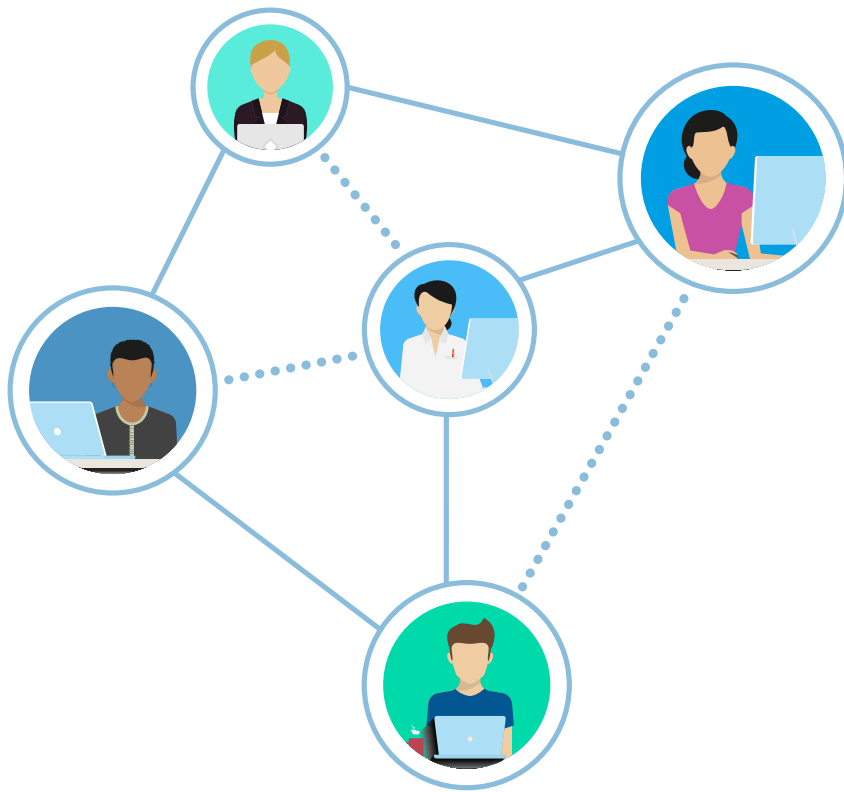
**Maverick** **Architect** **Helper**

**Communicating with Juan** ▼

- Likes to find areas of common interest with others. Will share opinions if asked, especially to questions about "how" to do something.

**Influencing Juan** ▼

- Should look for an environment that provides opportunities for professional development, growth, and cutting edge ideas.



At the end of the day, increasing employee retention doesn't just help your company; it helps your people. An employee who feels connection to others is an employee who is more likely to engage. An employee who can fully engage is an employee who feels compelled to stay. And an employee who stays is a huge win!

Decrease turnover, inspire deeper connection among colleagues, and create more collaborative relationships with help from Humantelligence.

[Get started today](#)

[Read more on our blog](#)