



The Great Resignation

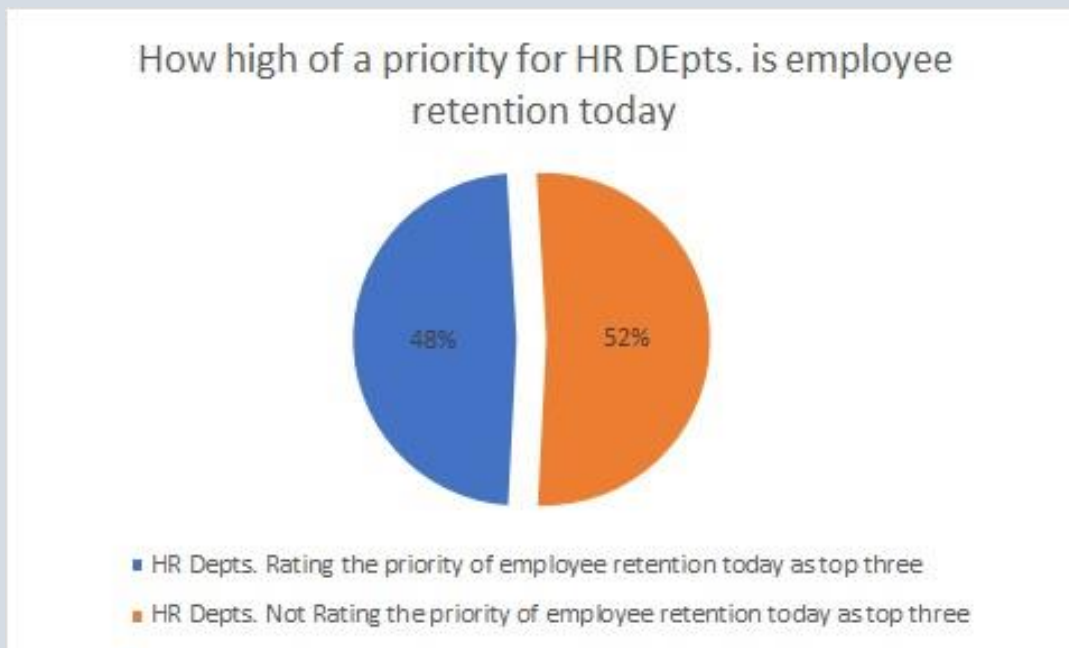
What the Survey Research Shows and How this Can Help Build Employee Retention Strategy

Astute executives know the loss of a valuable employee is disappointing, to say the least, for many reasons including reduced profits. There are several unexpected costs associated with losing an employee who is performing well. These include costs from replacement and hiring ads, interview time, loss of investment in training and development, overtime for remaining employees, quality concerns, productivity issues, loss of knowledge and contacts, lower morale,.....not to mention lengthy delays in finding and recruiting the qualifications you need to fill the vacant roles.

Recently, we partnered with HR.com to conduct a survey that would explore these challenges in more detail, in an effort to better understand the issues so that organizations could plan and execute strategy to improve their employee retention.

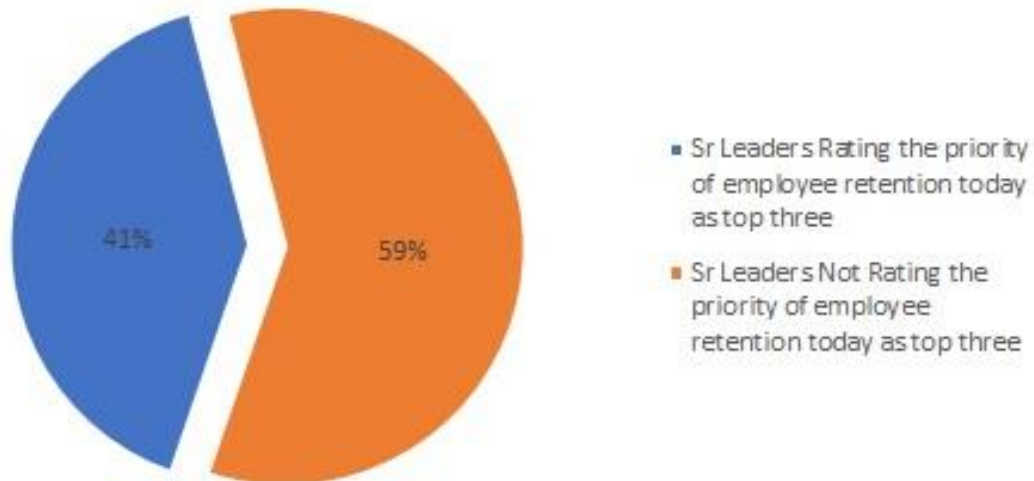
Here were a few of our findings along with some analysis comments for consideration:

Observation One: Respondents indicated



Retention a top 3 priority of 48 % of Human Resource Dept respondents and 41 % of Senior Executives

How high of a priority for Senior Leaders is employee retention today



This clearly indicates that employee retention is a real concern for many companies and organizations have likely either been affected already or are concerned that that will be affected and the challenges it presents to their business to lose their talented employees.

Observation Two: Respondents indicated

- 81% rate their retention program at either 1-Underdeveloped or 2-Beginning or Intermediate (With a main focus on Comp and Benefits)

How would you describe your organization's retention approach?



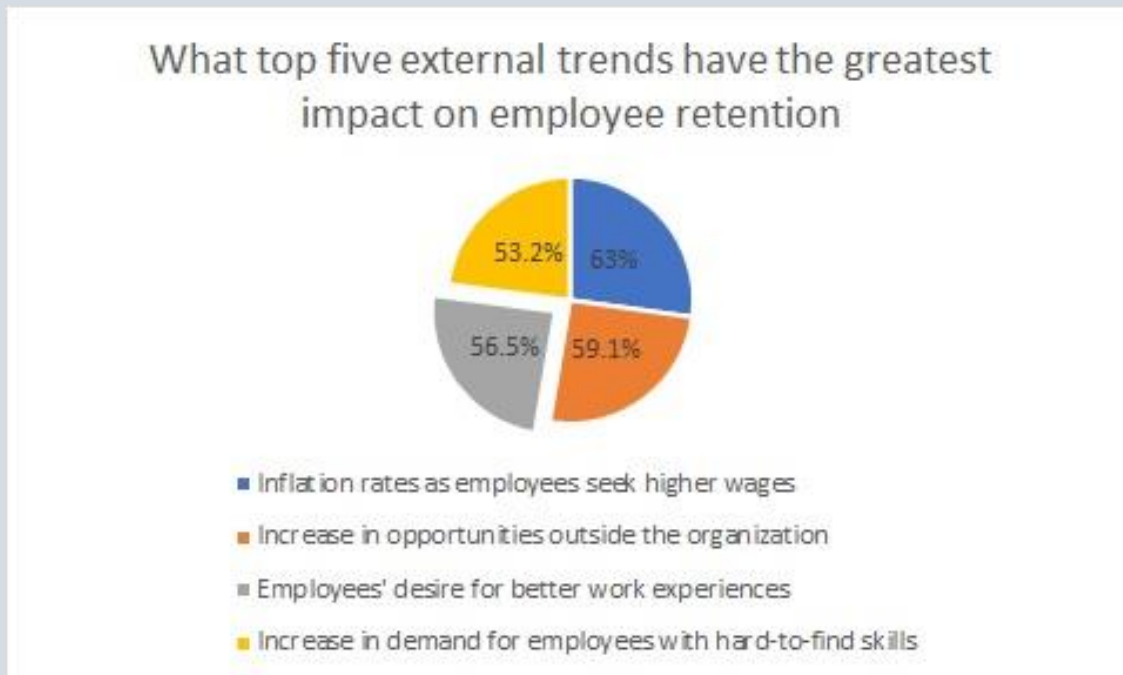
Categories defined as:

- Under-Developed: No approaches geared towards boosting employee retention
- Beginning: Ad hoc approaches depending on individual managers
- Intermediate: Organized approaches focused on retaining through compensations and benefits
- Advanced: Several formal initiatives with goals and metrics focused on culture as well as tangible rewards
- Top Notch: Effective, multi-dimensional and formal strategy

This chart suggests for many organizations there is room to grow with additional strategies and formal programs that could be implemented beyond a salary and compensation focus to improve retention. See summary at the bottom

Observation Three: Respondents indicated

On the top five external trends that have the greatest impact on employee retention?

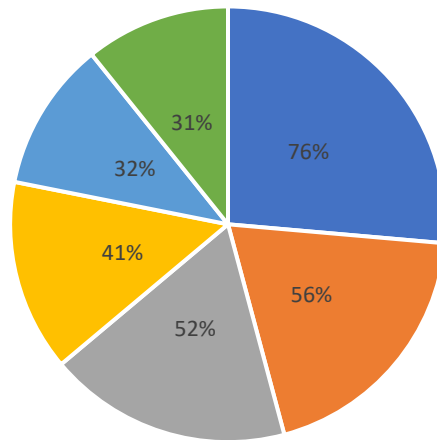


Responses to this question indicate compensation needs to be an important element of retention strategy. Competition for talent is becoming strong and employees do and will have other options for those seeking a better work experience. When an organization builds a retention strategy and looks at what they can control and provide to employees they often realize there are limits in what compensation they can offer financially. At the same time building a stronger, more enjoyable and rewarding work experience can pay huge dividends in employee retention efforts.

Observation Four: Respondents indicated

Top Reasons for Turnover are:

What do you believe are the top drivers of employee turnover within your organization?



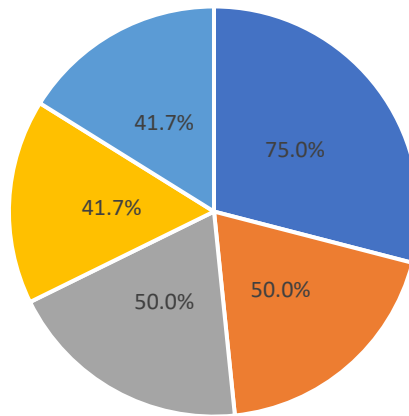
- Compensation and Benefit Related Issues
- Management related Issues
- Nature of job (tasks, working hours, etc)
- Employee development related issues
- Culture related issues
- More remote job opportunities

- 76% stated compensation and benefits as the top driver. NOTE: Survey results were mainly from management. When employees are asked directly, often higher compensation is not always cited as the reason they resigned.
- What is more important to note is that the next four top reasons for employee turnover are DIRECTLY RELATED to what the employee experiences in their work career.

No doubt remuneration and compensation/benefits are important, but beyond this what keeps employees at their current career? The employee experience is a critical piece of the puzzle. If your compensation package is competitive examine the other factors shown in this report in planning retention strategy.

Observation Five: Respondents indicated

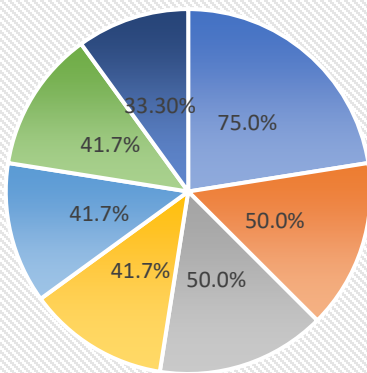
Top five culture-related issues believed as most responsible for employee turnover in your organization



- Lack of proper overall training of managers
- Lack of top management support for HR
- Poor overall employee experience
- Lack of funding for HR initiatives
- Lack of desirable talent-management practices

Beyond pay and compensation/benefits the top culture related issues responsible for employee turnover are all DIRECTLY RELATED to the employee experience.

Observation Six: Respondents indicated



- Lack of proper overall training of managers
- Lack of top management support for HR
- Poor overall employee experience
- Lack of funding for HR initiatives
- Lack of desirable talent-management practices
- Lack of initiatives dealing with work stress/burnout
- Lack of retention-specific training for managers

Top five HR-related issues, believed as most responsible for employee turnover in your organization

On which HR Related issues are most responsible for employee turnover- 75 % cited lack of overall training for managers and 33.3% cited retention-specific training for managers.

Is this senior leadership? Is this HR department? Is this the manager? Or is this the employee's responsibility? The reality is everyone must play a role. The employee has to assume some responsibility for these issues BUT they cannot do it alone and management has to offer assistance and support. Senior leaders may not have time, BUT they can commit to building strategy and provide the capital and budgets for retention programs. HR depts do not interact with employees daily and are often busy with compensation-payroll/benefits, hiring and recruiting, compliance and workplace safety, training and development needs, etc- they play an important role in employee retention strategy and programs BUT again they cannot do it alone. Lastly, we have the managers who interact daily with the employee, are in the best position to understand the employees likes and desires, their strengths and skills,

We suggest each player above has a defined role that needs to be agreed to and this needs to be provided. executed. If managers need training in people skills and building engagement and a regarding employee engagement and their experience and career development plans – this must be provided.

Other Observations and Notes

- On what top management related issues have been implemented to improve retention- Only 11.1% selected well trained people managers.
- On the top culture related practices implemented to improve retention- Only 11.1% selected cultivate good employee experiences.
- Of the following talent-management-related issues, which do you believe are most responsible for employee turnover in your organization?
 - Lack of advancement opportunities scored 60.2 %
 - Lack of appreciation/recognition at work scored 53.1 %
 - Lack of skilled managers 44.5%
 - Lack of opportunities to learn at work 35.9%
 - Lack of flexible work arrangements 35.2%

When Planning Retention Strategy Determine Who Will Execute the Strategy and Their Role:

- Who is responsible for employee engagement?
- Who is responsible for the employee experience?
- Who is responsible for employee recognition?
- Who is responsible for conducting stay interviews?
- Who is responsible for the employee's career development? and
- 'Who is responsible for employee retention?
- Who can help the employee build key relationships and a sense of connectedness to the company and its mission and values?



- Lack of empowerment/autonomy at work 35.2%

Summary Comments and Key Take Aways

1. Employee retention is listed as a top priority, yet many companies don't yet have fully developed retention programs beyond compensation related strategies.
2. Compensation is still listed as a major reason for employee turnover but a close second is Management Related Issues followed by organization culture. It is important to note that often when employees alone are surveyed compensation is often NOT the top consideration. As well, with management related issues and culture also top concerns these areas also deserve focused attention in planning strategy
3. A common theme in some of these results is lack of manager training. This is important as if you need managers to be more involved with building stronger relationships with their employees training must be provided.
4. Employees want more control over their work-life balance.

Employee Retention Strategies and Solutions

The survey data collected in this HR.com survey offer a compelling picture of the key issues facing organizations in their efforts to retain their employees. We encourage organizations to explore issues beyond compensation and benefits to have a more balanced approach to retaining employees. Managers play a significant role in the retention process with their impact on relationships and culture, however, must receive the training, support and guidance necessary to understand the role they play and what action steps they can take to minimize turnover.



Senior leadership, owners and Human Resource departments can help by funding the capital necessary, explaining to managers the need for their participation and identifying what skills and development programs could be implemented as retention programs to ensure managers have a positive influence and impact. Once these decisions have been made and the infrastructure is in place managers can play an active and successful role in helping to reduce employee turnover!

Need to Reduce Employee Turnover and Absenteeism?

Ensure your managers play a key role in employee retention?

Contact us. We can help. We are employee retention experts!

manage2retain.com

info@manage2retain.com

519-500-0251

