

Employee retention strategies to overcome the Great Resignation

Employee retention is a constant challenge for employers. Hiring is expensive, productivity is lost, and it takes time to get new employees up to speed. High turnover rates are never a positive for a business, no matter the industry. So, what causes high turnover and how can you improve employee retention rates?

We can take a look at one example for some insights. Following the Coronavirus pandemic, employers saw massive increases in employee turnover. In addition, finding new workers to fill empty roles was increasingly difficult. Employees largely put off changing jobs during the pandemic due to the level of instability in the labor market. Many who did get laid off in 2020 do not wish to return to their prior job roles or way of life. Additionally, many people took the time at home throughout the pandemic to start a business, learn new job skills, or pivot to freelancing. Others just got accustomed to remote work and didn't want to return to the status quo. Retail and food workers who were hailed as heroes and paid higher wages at the start of the pandemic didn't want to go back to minimum wage.

While many of the immediate impacts may have passed, what we can learn from them is still highly relevant. After all, the pandemic will surely not be the last major disruption employers face. With union support gaining traction, employee power increasing, and competition for skilled labor increasing, employers need to work harder to retain their current staff.

To combat turnover, it's time to take a more active approach in retaining employees and boosting engagement. Here is a list of the most effective employee retention strategies to help you create a workplace that your employees won't want to leave.

Allow telecommuting

Telecommuting has been around for quite some time but many employees and employers had their first experiences with remote work during the pandemic. As it turns out, many employees were not eager to return to the office. The [2021 State of Remote Work report by Owl Labs](#) reported that 84% of employees would be happier continuing to work remotely after the pandemic. Some would even take a pay cut to do it! This doesn't mean that you should cut your employees' pay. However, it should serve as evidence of what is important to current employees and prospective new hires.

The 2021 State of Remote Work report also found that 32% of employees said that they would quit if they were unable to continue to work remotely. 18% said were undecided on whether they would remain with their current employer if unable to work remotely. Many businesses have struggled to get employees back into the office full-time. Smart ones have stopped trying.

We've learned that employees can be equally effective at home as they are at work. Some are even more productive. In addition to decreasing employee turnover, it helps improve work-life balance for many employees. It can even reduce overhead costs for employers.

While not all employees can work remotely, many can, at least part of the time. Consider offering long-term remote or hybrid work arrangements for employees that prefer telecommuting. As more businesses continue to offer such arrangements, not doing so increases your risk of losing employees to businesses with more flexible work schedules.

Improve employee benefits offerings

You may already offer a great benefits package, but it never hurts to take a second look. What employees are looking for, and what your competition offers, continue to change. Perhaps it's time to explore new wellness benefits or upgrade the available medical coverage options.

Some things to consider when evaluating the competitiveness of your company's benefit plan include:

- **Add an FSA.** Flexible spending accounts can help employees with health and dependent care expenses by allowing them to set aside pre-tax dollars for eligible expenses, thus reducing their tax burden on money spent for medical expenses, childcare, or other dependent care expenses.
- **Providing additional health insurance plan options.** Try to diversify your offerings with different plan options and make sure that there are options with reasonable copays and good mental health coverage.
- **Add on wellness benefits.** Look into additional wellness benefits that you can offer such as discounts on gym memberships, employee assistance plans, or a quarterly wellness stipend.
- **Offer education reimbursement.** Invest in your employees by providing tuition assistance to those that want to go back to school or earn a certificate to help them learn new skills and advance in their careers. The employer also benefits from having more qualified and skilled staff.

Create a thorough onboarding process

Set your new employees up for success from the beginning. A poorly designed onboarding process creates a negative employee experience from the start of an employee's time with your company.

Many small-to-medium-sized businesses tend to have fairly informal onboarding processes. However, this can create problems for employees. New employees may feel unsupported without frequent check-ins, a designated person to ask for help, and thorough training. Employees that feel unsupported and overwhelmed early on are more likely to quit sooner.

Instead, try to design a plan for each new hire with at least a two-week onboarding period. Include frequent check-ins throughout their first six months of employment. Ideally, there will be some formal training along with well-constructed training materials that employees can refer back to as needed.

Pairing new hires with a mentor can also help them feel supported, know where to go with questions, and start creating bonds with their coworkers. Mentorship promotes a sense of community. Plus, it's less intimidating to ask questions to a trainer or mentor than it is to ask your new boss. Thus, employees are more likely to speak up when they need help.

Focus on company culture

Company culture shapes the employee experience. It is the personality of your organization and guides how people communicate with each other within the company.

Sometimes when your company is in its early stages or going through a period of rapid growth, developing a company culture is put on the backburner. If this goes on for too long, you may end up with a workforce that does not feel connected to your company or their coworkers.

Team-building is a great way to promote company culture as well as effective workplace collaboration. Happy hours, holiday parties, team-building exercises, and other fun activities that bring employees closer together should be planned regularly and encouraged. The small loss in productivity from allowing people to have fun and get to know each other during work hours is easily recouped through the higher productivity levels of engaged employees that can collaborate comfortably.

Train and evaluate management staff

As the saying goes, people don't quit their jobs, they quit their bosses. Your department managers and front-line supervisors shape the employee experience at your business. Make sure that managers and leads are upholding the company culture and properly supporting their teams.

Consider doing 360-degree evaluations on management staff and allowing employees to evaluate their managers. This can be a great way to identify opportunities for additional leadership training in order to address issues that may be negatively impacting employees. Cultural competency and inclusive leadership training can also help managers lead in a manner that is inclusive and allows all employees to feel respected.

Offer flexible schedules

The standard 9-5, or more frequently 8-5, doesn't fit every employees' life. Employees need to be able to drop off and pick their kids up at school. They have hobbies and want to attend social groups, church groups, volunteer activities, or group fitness classes. Today's employees want flexibility. As such, flexible work arrangements have become popular.

Allowing employees to shift their schedule up or down a few hours from the standard office hours can make a big difference when it comes to employee morale. Allow salaried employees to adjust their hours to leave early or start late one day a week if needed and make up the time elsewhere.

Employee recognition

Employees enjoy receiving recognition for their hard work. However, during busy and stressful times managers may forget to provide positive feedback and recognition. It's important for leaders to look for ways to recognize high-achieving employees who are going the extra mile.

Financial recognition can come in the form of bonuses. This most commonly occurs at the end of the year or quarter and may be tied to key performance objectives. However, holding a contest or raffle can also be a fun way to recognize employees. For example, the person that opens the most new accounts in a month could win a bonus or prize. Alternately, each employee that closes a new account could earn a raffle ticket for each sale closed. This provides a bit of recognition for everyone, and at the end of the raffle period, a winner can be randomly drawn from all entries. Look for fun ways to engage the team and acknowledge hard work.

Verbal or written recognition is also great for employee satisfaction. A simple "good job" can bolster an employee's confidence and job satisfaction. Consider creating an employee recognition program that allows

customers or coworkers to submit positive feedback on employees. For example, if an employee helps out one of their coworkers, that coworker can submit a note praising their work and showing appreciation. Employees that receive positive feedback can be recognized publicly at a weekly staff meeting or in a company-wide Slack or Teams channel.

Establish a healthy work-life balance

Establishing a healthy work-life balance for your staff is essential in preventing employee burnout. Burnout is a major issue right now. 44% of U.S. workers polled in a [Robert Half study](#) conducted this year reported that they are feeling more burned out than they were a year ago. Burnout can have a major impact on productivity, engagement, and retention. Look for opportunities to support burned-out or overworked team members.

If salaried employees submit timesheets or log their work hours electronically, be sure to monitor these submissions. While exempt salary staff is typically not entitled to pay for overtime, it's still important to monitor how much overtime they put in and work towards solutions to prevent burnout among your workforce. If a team is consistently working extra hours, it may mean that it's time to hire an extra person in that department. Have a talk with employees who are frequently working 45-50+ hours per week to see if they need help with their workload.

In many industries, it is expected that team members will put in overtime during peak seasons or major company or client projects or events. However, there are ways to minimize the impact this has on the employees' job satisfaction. Consider offering recovery time to allow employees extra time off after working excessive overtime. Give managers the authority to give their team members an extra paid day off after working late or on weekends to complete a major project or handle a client emergency. Prioritize their wellness and work to minimize burnout to retain your top talent.

Even those who aren't working long hours may be feeling burned out after a stressful past two years where they likely face frequent changes in their work and personal lives. Encourage employees to use their paid time off for mental health and self-care purposes. Also, ensure that employees know that they are welcome to take breaks and time away from their laptops. Remote workers in particular tend to have a harder time feeling "off the clock" during lunch or after work hours due to the lack of separation between their workspace and living areas. Remind them to take a walk outside if they need to and to put away their work laptops at the end of the day.

Provide professional development and career advancement opportunities

Your best employees are likely your most passionate and ambitious employees. They likely do great work for you, but they may not stick around if they do not see room for career advancement. It's important to make career development opportunities available to those who seek them. Managers should also be open to speaking with ambitious employees and helping them understand what they need to do to reach the next step in their career within the company. It may require upskilling or leadership training. Don't be afraid to let these employees take the lead on a project to work on their management skills or invest in them by providing continuing education opportunities.

On the other hand, a lot of people reevaluated their passions, interests, and what they want out of their career over the pandemic. Their new goals may not fully align with their current position. The obvious option is to look for a new job in that situation, but there are some things employers can do to keep employees in the company even if their current role is no longer a good fit. The main one is to have an honest conversation with them and see where their interests lie. It may be possible to adjust their job duties to include activities that would be interesting, challenging, or rewarding to them.

Cross-training is a great way to allow employees to get involved in different job roles or departments outside of their own. It also helps the company to have someone that knows how to do others' job duties in case someone

is out sick or on leave. A lateral transfer into a different department may also be an option. Hiring employees is expensive and time-consuming. If you have an open role, why not transfer a current employee into it if it's a better fit for their desired career path. It's better to have one open position than two to fill.

Solicit employee feedback

Don't wait for employees to bring issues to the attention of human resources or management. Instead, actively solicit feedback from employees at regular intervals. For best results, vary your approach to soliciting feedback throughout the year.

One great way to solicit feedback is through an anonymous survey. People often feel more comfortable providing honest and critical feedback to their employers when they know that their responses will remain anonymous. The classic employee satisfaction survey is a great option. Ask questions on what employees enjoy about their jobs and the company, what they feel could be improved, and whether they see themselves staying with the company for the next six months or one year. Try to ask specifics such as their satisfaction with the benefits, their manager, the culture, compensation, and the opportunities for advancement provided to them. Remember, this data is only valuable if action is taken based on it. The survey should help HR and the business leaders understand what percentage of their workforce is on the brink of looking for a new job and what actions they can take to prevent that and boost employee satisfaction.

Retention interviews or stay interviews are another great way to solicit feedback directly from employees and find solutions before someone decides to leave the company. These interviews are one-on-one meetings similar to employee reviews, but it's best to conduct them separately from reviews. The purpose of these interviews is to check in with your top talent to learn of any concerns they may have before these issues rise to the level of looking for a new job. The areas covered can be similar to the employee satisfaction survey, but they should be more open-ended so that the interviewer is able to better understand the employee's answers and reasoning. The questions can explore whether they feel recognized for their work, desired growth or training opportunities, job satisfaction, and how they feel about their current work-life balance. High achieving team members are prone to burnout and are also likely to leave if they feel they are not being properly recognized for their work or do not have room to advance further. Catch these concerns early before you lose your top talent.

Lastly, you can explore some sources of indirect feedback. Monitor your company's Glassdoor page to see what current and past employees have had to say. Potential new applicants are also likely to check out Glassdoor or other review sites before applying, so it's dually important to monitor what is being written.

Conduct exit interviews

An exit interview won't change the mind of an employee that is already leaving, but it will provide valuable insights that management can use to prevent more employees from quitting. Employees are also apt to be more honest about their frustrations with the company, management, and their job roles if they are already on their way out the door.

Use this to uncover feedback that you may not get from your current employees by asking direct questions about why this employee has decided to quit. Remember, employees talk and vent to one another, so if one person is upset by something going on in the company others are likely aware of it and possibly upset about it too.

If the employee tells you that they were happy with their role and manager, ask about what incentivized them to take a new role elsewhere. Employees don't always leave because they are unhappy, but it's likely that the new company is offering something that you aren't. This could be more flexibility, better benefits, higher compensation, or more advancement opportunities. The exit interview can uncover what they didn't like about your company, but it can also help uncover what they really liked in their new offer.

Effectively manage change

Change is stressful for everyone, and most people have experienced a lot of it over the past two years. Employees tend to be sensitive to change as it creates concern over job security and can disrupt the company and team cultures.

Be honest with yourself and consider how well your company has handled changes throughout the pandemic. Was adequate communication provided to employees? Were employee preferences and concerns listened to and considered when decisions were made? If changes weren't managed well, that could result in low employee engagement and high rates of attrition. Fixing the past may be difficult, but you can improve your change management practices going forward to avoid losing more good employees.

When a change is occurring such as layoffs, acquisitions, changes in management, or changes in work policies (such as going back to the office after remote work), it is important to communicate proactively. Take time to anticipate employees' concerns and address them proactively. Deliver news of any changes in the correct communication channel. If you anticipate that an announcement will leave employees with a lot of questions, hold a meeting to allow for questions and discussion rather than sending out an email announcement. Provide updates to employees throughout the process to help them feel secure. Show your staff that they are being considered at every step.

Conduct regular employee and salary reviews

Objectively, job-hopping tends to be a faster route to a significantly higher salary than sticking it out at one long-term employer and receiving modest pay increases. Younger workers like Millennials and Gen Z are particularly apt to switch employers frequently — often receiving large salary bumps at each one. Employers looking to retain talent these days need to be willing to give competitive salary increases.

Most raise discussions occur during annual employee reviews. Employee reviews serve as an important opportunity to solicit employee feedback, provide feedback to employees, address requested salary increases, and discuss career advancement opportunities. Each of these action items positively contributes to retention, so don't skip over reviews.

Before review season, conduct salary benchmarking research. HR and management should go into salary negotiations with an understanding of what is average and competitive in the region and industry for similar job roles. If through benchmarking you find that an employee is being severely underpaid, be prepared to give them a significant raise or lose them in the coming months.

Make employee satisfaction a priority

You'll likely need to keep up with several of these employee retention strategies year-round to have a meaningful impact. This may seem like a big time commitment — and it is. Investing in employee satisfaction and retention is just that; an investment. While you need to dedicate time and resources to the cause, you are also saving time and money in the long run by cutting down on the costs associated with hiring and training new staff. Retaining employees also allows you to build up a more skilled workforce. Long-term employees will know your systems, products, and workflows well and be able to work more efficiently as a result.