



Employee Retention Strategies in a Shifting Landscape

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Introduction

If there's one thing that all HR and L&D leaders agree on, it's probably that there isn't a one-size-fits-all solution to employee retention. Each company has its own unique set of challenges and opportunities when it comes to keeping employees happy and engaged.

But there's common ground to stand on. [Deloitte's 2024 Global Human Capital Trends report](#) points to a shift to the human aspect of work. As work becomes more flexible, skills that are uniquely human, such as empathy and curiosity, are increasingly important. Companies need to focus on "human sustainability." This means creating a work environment where employees feel valued not just as workers, but as individuals.

In other words, the key to retention lies in supporting employee health and well-being, helping them develop their skills, providing good job opportunities, promoting fairness, and making them feel like they belong and have a purpose.

In this white paper, we will explore why focusing on the human factor is essential for employee retention and how businesses can implement strategies that benefit both their workforce and their bottom line.





Understanding Employee Retention

Definition and Significance

At its core, employee retention refers to an organization's ability to keep its employees from leaving their jobs. It is a measure of how well a company can maintain a productive and satisfied workforce over time. Retention is critical for businesses of all sizes because it directly influences operational efficiency, profitability, and long-term growth. High retention rates are often indicative of a positive work environment, competitive compensation packages, and strong employee engagement—factors that contribute to the overall success of a business.

Why It Matters

Employee retention matters because there are significant financial costs associated with employee turnover. According to a Gartner report, each departing employee costs an organization \$18,591 on average. That’s a huge impact on your bottom line.

Organization Head count	Cost of Turnover
10	\$33,092
100	\$330,920
1,000	\$3,309,198
10,000	\$33,091,980
50,000	\$165,459,900
100,000	\$330,919,800
500,000	\$1,654,599,000

[Infographic source](#)

But the losses are not just financial. Intangible losses like decreased morale, lost knowledge, reduced productivity, and damage to organizational reputation. For example, when a seasoned employee leaves, they take with them invaluable experience and understanding of the company's processes and culture. Replacing such an employee involves not just the obvious recruitment costs but also the time and resources spent on training new hires to the same level of competency.

Employee Retention Trends in Recent Years

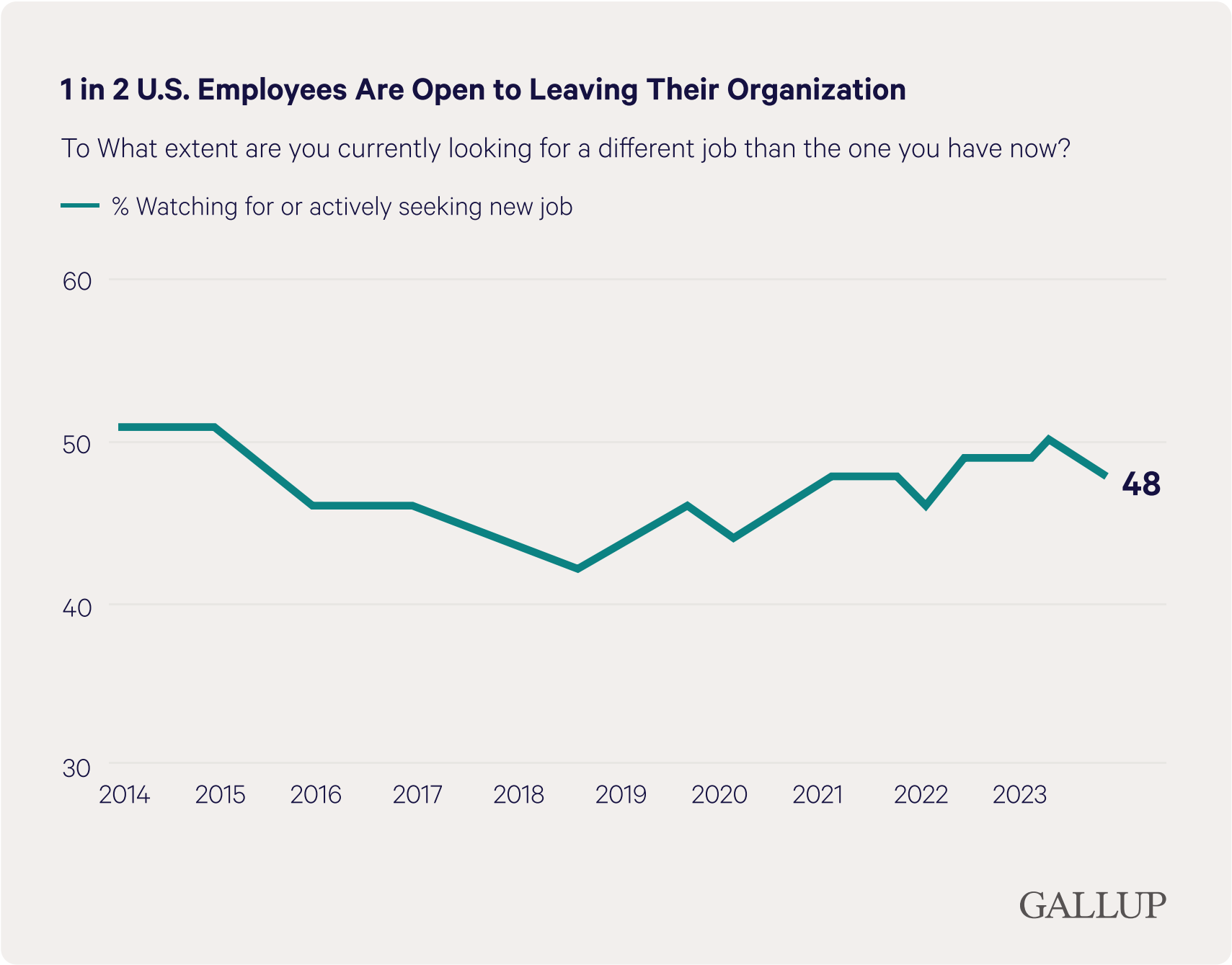
While employee retention has always been a priority for HR and L&D professionals, the lens through which it is viewed has changed over the years.

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As Crystal Black, Sr. L&D Specialist at AAA, points out
10 years ago, retention was more what can we do with the least amount of effort and the least amount of money? That would help our employees want to stay on, especially those we consider top talent. Today, there's really a lot of thoughtful attention paid to what exactly are our employees saying and are we meeting those needs at the level that the employee needs? I think there's more thoughtful planning on top of that attention being paid.

Thoughtful planning, as Crystal Black elucidates, involves not just hearing, but actively listening to employee feedback, analyzing trends within the organization, and benchmarking against industry standards. This shift represents a move from a transactional approach to retention, where minimal investments were made to keep employees on board, to a more transformational approach, focusing on creating a fulfilling and engaging employee experience that encourages loyalty and long-term commitment.

Following the upheaval of the Great Resignation in 2021 and the quiet disengagement of 2022, employers have faced a relentless test in maintaining a stable, engaged workforce. Now, with [recent data from Gallup](#) revealing that nearly half (48%) of U.S. employees are contemplating leaving their organizations, the urgency for effective employee retention strategies has never been more pronounced.



[Image source](#)

The statistics are stark: close to half of the workforce is watching for or actively seeking new opportunities, signaling a potential exodus that could exacerbate the already critical issues of talent shortages and skills gaps. In the past year alone, [77% employers](#) have struggled to fill open positions, a dilemma intensified by a labor force that has diminished by 1.5 million individuals since 2020.

So what’s tempting employees to leave?

In Gallup’s research, there is a clear upward trend in the importance of work-life balance and personal wellbeing, indicating a consistent shift towards prioritizing personal time and health.

Top Attributes U.S. Employees Are Seeking in Their Next Job

Please indicate how important each of the following is to you when considering whether or not to take a job with a different organization.

% Very important

	2015 %	2021 %	2022 %	Change 2021 to 2022 pct.pts
Greater work-life balance and better personal wellbeing	53	61	63	2
Significantly increases my income or improves my benefits package	41	64	59	-5
Allows me to do what I do best	60	58	57	-1
Greater stability and job security	51	53	56	3
Organization is diverse and inclusive of all types of people	*	42	38	-4
Organization has a great reputation or brand	36	35	36	1
Move away from a bad manager or leader	*	28	35	7

*Data not available.

Note: Employees must have been working at their job at least three months to be included.
Retired employees are excluded.

GALLUP

[Infographic source](#)

On the contrary, the importance placed on income and benefits saw a notable drop in 2022, suggesting that while compensation remains important, it may no longer be the primary driver for job change. Stability and job security have seen a small but positive change, highlighting a growing need for security in an uncertain economic climate.

Notably, the desire to move away from a bad manager or leader showed the largest increase, signifying that leadership quality is becoming a critical factor in retention and attraction. This suggests that organizations looking to retain talent should invest in leadership development and create a supportive culture that emphasizes employee wellbeing and inclusive practices.

Employee Turnover: Causes and Implications

Employee turnover has far-reaching consequences that extend beyond the immediate costs of recruiting and training replacements. Understanding the reasons behind why employees choose to leave is the first step in developing effective strategies to retain them.

Lack of Growth Opportunities



Employees often leave when they feel stagnant in their current roles. A lack of clear career progression paths, opportunities for professional development, and educational advancement can make employees feel under valued and overlooked, pushing them to seek growth opportunities elsewhere.

Competitive compensation is crucial in retaining talent. Employees may start looking for new opportunities if they believe their pay does not reflect their contribution or market standards. Similarly, benefits such as health insurance, retirement plans, and paid time off contribute to their overall satisfaction and loyalty to the company.

Poor Workplace Culture and Environment



In today's increasingly digital and flexible work environment, employees may feel isolated, especially those who work remotely or in hybrid settings. Lack of face-to-face interaction can lead to feelings of disconnection from the team and the organization, reducing their sense of belonging and commitment.

Strong interpersonal relationships at work are key to a positive work environment. When employees lack meaningful connections with their colleagues, it can lead to a sense of alienation and dissatisfaction. A culture that does not encourage collaboration, social interaction, and team-building activities may exacerbate feelings of isolation and disconnection.

Lack of Recognition and Engagement



Recognition for one's efforts and contributions plays a fundamental role in employee satisfaction. A lack of acknowledgment can make employees feel undervalued, while low engagement levels signify that employees are not meaningfully connected to their work or the company's goals, further driving the desire to leave.

Impact of Turnover on Organizations



Financial Costs

The direct costs of replacing an employee include recruitment, hiring, training, and the time it takes for the new hire to reach full productivity. Indirect costs may involve overburdening existing staff, which can lead to burnout and additional turnover.

Loss of Knowledge and Productivity

When employees leave, they take with them valuable knowledge and skills. The loss of experienced workers can disrupt ongoing projects and lead to a decrease in overall productivity as new hires take time to acclimate.

Morale and Engagement Impact on Remaining Employees

High turnover rates can have a detrimental effect on the morale of remaining employees. Witnessing frequent departures can create a sense of instability and uncertainty, lowering engagement and productivity among the workforce.

Addressing these factors requires a comprehensive approach that includes improving communication, fostering a supportive and inclusive culture, and providing clear pathways for growth and development. By understanding and tackling the root causes of employee turnover, organizations can create a more stable, productive, and engaged workforce.



Developing Effective Employee Retention Strategies

Developing and implementing effective retention strategies is crucial for organizations aiming to reduce turnover and foster a positive and productive work environment. This section outlines actionable examples of strategies across four key areas: compensation and benefits, career development, work-life balance, and workplace culture.



Cultivate Effective Leadership and Management Practices

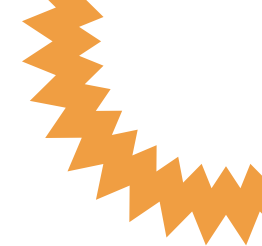
Effective leadership and management are the backbone of any successful employee retention strategy. The way leaders and managers interact with their teams can significantly influence an employee's decision to stay with or leave an organization. A retention-friendly environment is one where employees feel valued, understood, and supported by their superiors.

Open Communication

Encouraging open lines of communication where employees feel comfortable sharing their ideas, concerns, and feedback. Leaders who listen actively and respond empathetically can build trust and loyalty among their team members.

Supportive Leadership

Being supportive involves more than just being available. It means actively working to understand the individual goals and challenges of each team member and providing the resources or guidance needed to help them succeed.



Sr. L&D Specialist Crystal Black's observations highlight the significance of leadership flexibility and inclusiveness in team satisfaction.

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I have noticed in those who voluntarily report out on their satisfaction with their teams. It really is various leaders' ability to focus on business objectives in the most flexible and inclusive way possible. When leaders are dedicated to saying, ‘This is our benchmark. However, I'm open to whichever way you believe, we can achieve that objective, and in the time frame that we need to.’ It exposes a level of trust within that team. So that that individual is able to expand themselves.

This leadership style fosters a culture of trust and measured risk-taking, allowing individuals to expand their capabilities autonomously. Black believes that this trust factor is unparalleled in its ability to drive engagement and retention.



Offer Competitive Compensation and Benefits

Benchmarking against industry standards

Regularly conduct market research to ensure your compensation packages are competitive within your industry. Use surveys and databases like PayScale or Glassdoor to compare your salary ranges and benefits with those of similar roles in other companies. Adjust your compensation structures accordingly to remain attractive to current and prospective employees.

Flexible benefits tailored to employee needs

Offer a benefits package that goes beyond the basics to include options like telehealth services, childcare assistance, and tuition reimbursement. Consider implementing a flexible benefits plan where employees can choose the benefits that best suit their personal and family needs, such as opting for more vacation time over a higher health insurance premium.



Create Career Development and Growth Opportunities

Professional development programs

Establish a budget for each employee to attend workshops, conferences, or courses relevant to their role. Encourage employees to set aside time for learning and development activities and share their knowledge with their peers through lunch-and-learn sessions or internal webinars.

Career pathing and mentorship initiatives

Create clear career pathways within the organization that allow employees to understand how they can progress. Pair employees with mentors who can guide them through their career development, offering advice, support, and feedback. This not only aids in the professional growth of mentees but also enhances mentors' leadership skills.



Enhance Work-Life Balance

Flexible working arrangements

Implement policies that support various working arrangements, such as telecommuting, flexible hours, and compressed workweeks. This flexibility allows employees to better manage their work and personal responsibilities, leading to increased job satisfaction and loyalty.

Wellness programs and mental health support

Offer wellness programs that promote physical health, such as gym memberships, fitness challenges, and ergonomic workplace assessments. Additionally, provide mental health support through Employee Assistance Programs (EAPs), stress management workshops, and access to counseling services. Promoting a holistic approach to wellness helps in addressing the well-being of your employees, contributing to a healthier, more engaged workforce.



Foster a Positive Workplace Culture

A positive workplace culture isn't built overnight. It requires sustained effort, a clear vision, and an unwavering commitment to employee well-being and development. When leaders foster an environment where open communication, respect, and collaboration are at the core, employees feel a sense of belonging and purpose.

In such a culture, employees are more likely to be engaged, productive, and loyal.

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As Lynita Taylor, Program Manager - Diversity, Equity, & Inclusion at Samsara, notes,

Even with a great workplace culture, you're hoping that people will stay and thrive and be there for the long haul. The reality is, people will leave and journey on to new adventures. When they do so, you're hoping that they leave having a positive reflection of your organization. We need to create opportunities and cultures that help people to thrive and grow. And yes, we want them to stay. But also we should be able to celebrate them when they leave in favorable standing.

Watch the full webinar:





Building a culture of trust and respect

Encourage open communication and transparency by holding regular town hall meetings where leadership shares company updates and employees can voice their concerns and suggestions. Implement a 360-degree feedback system where employees can receive constructive feedback from peers, subordinates, and supervisors, fostering a culture of continuous improvement and mutual respect.

Diversity, equity, and inclusion initiatives

Develop programs and policies that promote diversity, equity, and inclusion within the workplace. This could include bias training, establishing diversity hiring goals, and creating employee resource groups (ERGs) for under represented employees to share their experiences and support one another. A diverse and inclusive environment not only attracts talent from various backgrounds but also contributes to a richer, more creative, and innovative workplace.

Create opportunities for connecting colleagues

Facilitate team-building activities and social events that encourage employees to form connections beyond work-related tasks. This can range from informal coffee breaks and virtual meetups for remote teams to organized retreats or team sports events. Creating a 'buddy system' for new hires can also help integrate them into the company culture more quickly and effectively.

Leveraging technology like [Colleague Connect platforms](#) can foster a sense of community by allowing employees to connect over informal chats and share news, celebrate milestones, or recognize each other's achievements. These initiatives not only reduce feelings of isolation but also build a sense of belonging and camaraderie among colleagues, strengthening the overall workplace culture and opening doors to knowledge-sharing and learning opportunities.





Leveraging Technology for Employee Retention

The use of technology in Human Resources practices has revolutionized the way organizations manage employee retention. By harnessing the power of data analytics and digital tools, companies can gain insights into employee behavior, improve communication, enhance engagement, and provide continuous recognition. This section details how technology can be leveraged to support retention strategies.

HR Analytics and Data-Driven Decision Making



Predictive Analytics

Implement HR analytics software that utilizes predictive analytics to identify patterns and trends related to employee turnover. This can include analyzing factors such as job satisfaction, performance metrics, and engagement levels to predict which employees are at risk of leaving. By identifying these risks early, HR can intervene with targeted retention strategies.

Employee Surveys and Feedback Analysis

Use survey tools to regularly gather feedback on various aspects of the employee experience, from workplace culture to job satisfaction. Advanced text analysis and sentiment analysis can help HR teams understand the underlying concerns and areas for improvement, enabling them to make informed decisions that boost retention.

Workforce Planning Tools

Leverage workforce analytics for strategic planning, such as identifying skill gaps, forecasting hiring needs, and understanding the impact of turnover on organizational capacity. This helps ensure that the company can proactively manage its talent pipeline and reduce the disruption caused by turnover.



Recognition and Rewards Platforms

Implement platforms such as Bonusly, Recognize, or Workstars that allow employees and managers to give public recognition and rewards for achievements and milestones. These platforms can gamify the recognition process, making it more engaging and fostering a culture of appreciation.

Continuous Feedback Tools

Utilize tools like 15Five or Lattice that facilitate continuous feedback and check-ins between employees and managers. Unlike traditional annual reviews, these tools support ongoing conversations about performance, goals, and development opportunities, ensuring that employees feel valued and heard.

Learning Management Systems (LMS)

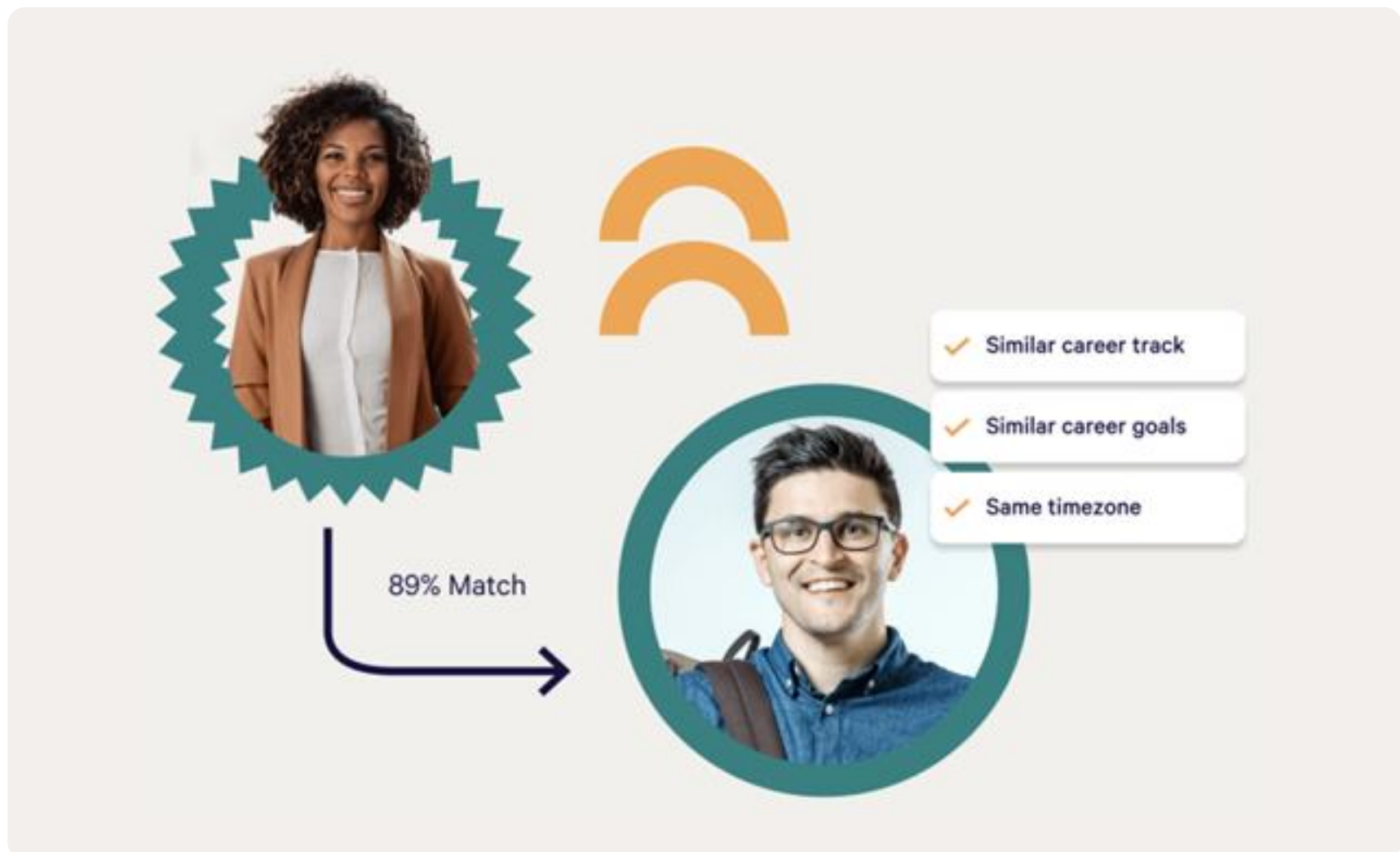
Invest in an LMS that offers personalized learning and development opportunities for employees. Platforms like Coursera for Business, LinkedIn Learning, or Pluralsight can provide access to a wide range of courses and certifications, allowing employees to grow their skills and advance their careers within the company.



Platforms for Mentorship and Employee Connections



Mentorship platforms facilitate the pairing of mentors and mentees. The best mentorship platforms have intelligent matching that takes into account professional development goals, skills, interests, and career aspirations. By providing structured support and resources, mentorship platforms enable meaningful relationships that can significantly enhance an individual's career trajectory, offering personalized advice, feedback, and encouragement that is tailored to their specific needs and challenges.



Lean on a mentoring platform like Together to run effective mentoring programs at scale. The platform boasts a 98% match success rate, achieved through its sophisticated algorithm that pairs employees based on their professional development goals, skills, and areas they wish to grow. Whether it's traditional one-on-one mentoring, group mentoring, peer-to-peer learning, reverse mentorship, employee resource groups (ERGs), or flash/speed mentoring sessions, you can run multiple programs at scale.

By integrating these technologies into their HR practices, organizations can create a more engaging, supportive, and responsive work environment. This not only enhances the employee experience but also plays a crucial role in retaining top talent and sustaining competitive advantage in the marketplace.

Colleague Connect: A Modern-Day Tool for Employee Connections and Learning

Colleague Connect reimagines the traditional mentorship model by facilitating more informal learning relationships within organizations, without the necessity of a seniority gap.

Breaking the Mold of Traditional Mentorship

Historically, mentorship within organizations has been predominantly hierarchical, pairing more experienced or senior employees with juniors to guide their professional growth. This model, however, inherently restricts participation due to the limited number of senior employees available to serve as mentors. Moreover, the formality of these arrangements can be daunting for individuals who may feel intimidated by the commitment or are hesitant to impose on a senior colleague's time.

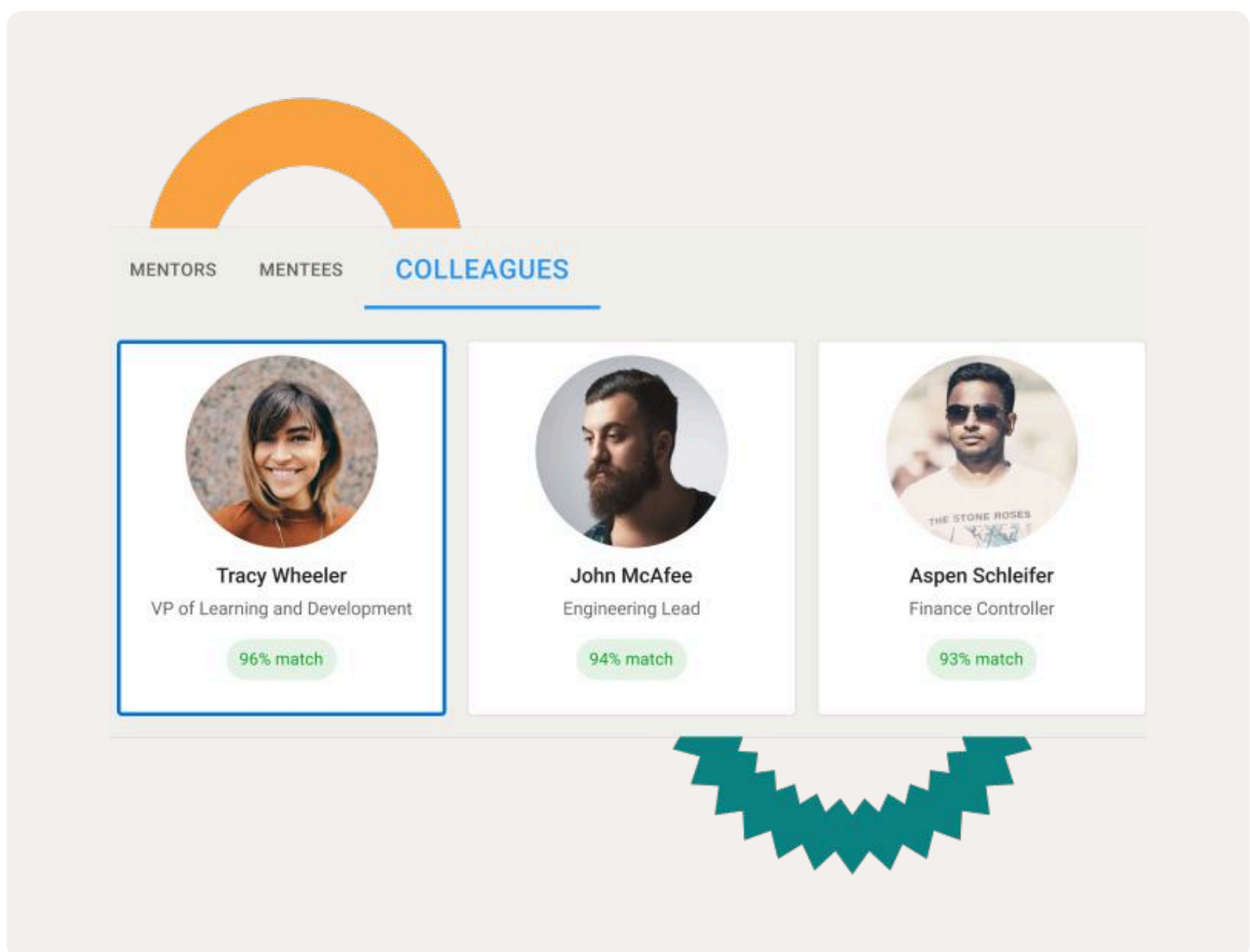
Colleague Connect addresses these challenges head-on by encouraging all employees, regardless of their position or seniority, to engage in the mentorship process. By allowing users to sign up not only as mentors or mentees but also as colleagues looking to share or develop similar skills and goals, the program vastly broadens the scope of potential learning relationships.



Facilitating Informal and Flexible Learning Connections

The genius of Colleague Connect lies in its flexibility and informality. Without the constraints of a traditional seniority-based mentorship model, employees can easily find and connect with others who are exploring the same professional paths, facing similar workplace challenges, or seeking to develop comparable skills. This peer-to-peer learning approach fosters a more collaborative, inclusive, and supportive organizational culture.

For example, new managers within an organization can connect through Colleague Connect to share experiences, challenges, and strategies, creating a supportive network of peers navigating similar leadership transitions. Similarly, working parents within the company can find support and share advice on balancing professional and personal responsibilities, thereby enhancing their sense of community and belonging at work.



Transforming Employee Participation in Mentorship Programs

The impact of Colleague Connect on employee engagement and consequently, retention, is noteworthy. It has dismantled barriers to participation, empowering employees to take charge of their professional development in a manner that suits their preferences and comfort levels.

This empowerment has led to a significant increase in engagement, with organizations like HB Fuller witnessing soaring participation rates after implementing Colleague Connect.

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We used to have only about 20% of our organization participating in our mentoring programs, and since launching Colleague Connect, we have 80% of our user base matching in a mix of formal mentorship and informal peer relationships. The result is more learning and development,

Says Maria Cortes, Global Head of Learning and Development at HB Fuller, an engineering company.





Conclusion

The landscape of employee retention is continuously evolving, shaped by shifting workforce dynamics, technological advancements, and changing employee expectations. As organizations grapple with these changes, the importance of developing comprehensive, effective employee retention strategies becomes increasingly clear.

Ultimately, the key to successful employee retention lies in understanding and addressing the unique needs and aspirations of the workforce. By creating an environment where employees feel valued, supported, and engaged, organizations can not only retain their talent but also attract new talent, securing their competitive edge in the marketplace. As the workforce continues to evolve, so too must the strategies we employ to retain and nurture our most valuable asset: our employees.

About Together

Together empowers organizations to accelerate their employee learning and development through mentoring programs. With 1-on-1, peer, and group mentoring, we enable organizations to level up their employee development initiatives.

Organizations leverage mentorship programs to:

- Support diversity, equity, inclusivity, and belonging initiatives
- Prepare high potential employees to take on leadership roles
- Build communities of well-trained and experienced managers
- Set up new hires for success with buddy programs
- Build meaningful connections between your remote employees

HR and L&D teams love Together because our platform offers the best user experience for employees. They don't need to learn or download a new tool because our web-based platform integrates with existing email and calendar systems to make it as easy as possible to build meaningful mentoring relationships.

Each program is fully customizable, allowing administrators to white label their program with a custom URL and branding. Together's platform includes session agendas and resources that provide employees with cues and steps to support mentors and mentees at each stage of their development. In addition, Together's dedicated Support Team provides guidance every step of the way.

Some of our customers include

Teladoc
HEALTH

Kellogg's

 **randstad**

 **Discovery**

 **HEINEKEN**

 **NEW YORK LIFE**
FOUNDATION

Want to see how we can help you
bring your mentorship program to life?

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