



WEBINAR OVERVIEW

Strategies for Employee Retention in Today's Workplace

January 25, 2023

Intro/Setting the Stage

- Landscape of the Workplace Today and Trends
- Most Pressing Issues for Employers in Today's Workplaces
- What Can Employers Do to Address Staffing and Retention?
- Why Are Employees Leaving?
- Understand Why Employee Retention is Important

Effective Employee Retention Strategies for Today's Workplace

- Organizational Structure and Job Roles Should Accurately Reflect Current Workplace
- Salary and Benefits
- Work-Life Balance
- Career Advancement
- Leadership and Management Development
- Employee Feedback and Engagement
- Implement Employee Well-Being Strategies

Current Examples of Innovative Retention Strategies

- Chipotle
- Microsoft
- Dropbox

HRtelligence TIPS

WEBINAR OUTLINE

I. Intro/Setting the Stage

A. Landscape of the Workplace Today and Trends

- Great Resignation/Quitting

The “Great Resignation” is still going on: 4.2 million Americans left their jobs in November, bringing the total for 2022 to 46.6 million.

-from the latest U.S. Bureau of Labor Statistics Job Openings and Labor Turnover report

- Changing structure of work - remote/hybrid work
- Various studies have suggested as many as **95% of workers** are considering changing jobs and that **92%** would be willing to switch industries to land a new position. <https://learnmore.monster.com/job-index-in-the-time-of-coronavirus>.

Notes: The rate of job quitting in the United States has reached highs not seen since the start of the U.S. Bureau of Labor Statistics Job Openings and Labor Turnover Survey program in December 2000. This recent phenomenon has been called the “Great Resignation.” <https://www.bls.gov/opub/mlr/2022/article/the-great-resignation-in-perspective.htm>

The number of quits has now exceeded the pre-pandemic high for 21 consecutive months, as more than 4 million Americans voluntarily left their jobs in each of the past 18 months. Meanwhile employers, especially in low-wage sectors, are still struggling to fill open positions.

B. Most Pressing Issues for Employers in Today's Workplaces

Across all industries the most pressing issue for employers is [staffing](#). More specifically, it seems that being able to [successfully retain employees](#) presents the biggest challenge.

C. What Can Employers Do to Address Staffing and Retention?

- Be flexible and be a thought leader
- Innovative - something different, in line with today's workplace and trends and in consideration of what motivates and impacts employees
- Compensation reviews, recognition programs, and opportunities for upskilling and reskilling are typical and probably important but probably time to think outside the box.

D. Why Are Employees Leaving?

- What they value has changed
- They're stressed and burned out
- Salary and benefits
- Leadership
- Lack of work-life balance
- Lack of career advancement

E. Understand Why Employee Retention Is Important

The impacts of employee turnover go far beyond temporary disruptions.

- Costly
- Less staff means more work for those who remain and more stress, lower employee morale and lower employee productivity

Notes: COSTLY - Replacing an employee costs anywhere from one-third to double their annual salary, according to the Work Institute. And the Houston Chronicle reports that, in addition to those costs, high turnover also impacts the staff that remains – and the business's customers.

LESS STAFF - As employees watch their colleagues leave, their workloads often increase. This can lead to a downward spiral of departures and stress. Frustrated, overworked employees are less likely to perform at their peak, meaning the company's product or service suffers, and customers have more negative interactions with the company.)

II. Effective Employee Retention Strategies for Today's Workplace

A. Organizational Structure and Job Roles Should Accurately Reflect Current Workplace

Given all the changes that have taken place over the past several years...

- Review your organizational structure to ensure it correlates with what is happening
- Once its current, look at reporting structure and job roles to identify any gaps, redundancies and potential efficiencies

Notes: With all the changes that have taken place over the last few years it is important to review your organizational structure and ensure that the way your company is structured actually correlates with what is happening.

By providing employees with meaningful tasks that are in line with the current organizational structure, this can help with reinforcing company values and providing a renewed sense of motivation.

B. Salary and Benefits

- **Review and evaluate compensation and benefits for employees and establish a baseline based on compliance**

Step 1 – Ensure compliance with applicable wage and hour laws

Step 2 - Review compensation rates among similarly situated employees to ensure that that there is pay equity.

- After compliance issues have been cleared, employers can consider various ways to improve overall compensation and benefits.
 - Increases in salary
 - Bonuses
 - Incentive compensation
 - Increases in benefits such as health insurance, retirement benefits

Consider alternative benefit options:

- Wellness benefits such as yoga, gym, nutrition, mindfulness, streaming platform subscriptions.

Notes: When reviewing the organizational structure and job roles it is also important to review and evaluate compensation and benefits for employees. First, it is good to take a look and ensure that from a compliance standpoint, minimum rates are being met for hourly and salaried employees. Second, it is recommended to review compensation rates among similarly situated employees to ensure that that there is pay equity. After compliance issues have been cleared, employers can consider various ways to improve overall compensation and benefits. This can be in the form of increases in salary, bonuses, incentive compensation, increases in benefits such as health insurance, or retirement benefits.

While offering raises or bonuses are nice, small businesses may not have the means to pay employees more and many businesses are offering alternative options. Thus, it doesn't have to be all about pay either. Other "benefits" though can include things related to wellness – yoga, gym, nutrition, mindfulness, streaming platform subscriptions. Benefits or low-cost perks are another great way to add value for your employees. Take a little extra time this year to see how you can reduce benefit costs as a small business while improving your benefits and benefits administration.

C. Work-Life Balance

- Stress and burnout are a major threat to workforces, according to recent employer survey.

- 1 in 3 workers do not want to work for an employer that requires them to be onsite full time
- Remote work is now a part of the workplace and employee expectations.

Notes: Employers have recently identified stress and burnout as a major threat for their workforces, according to recent survey results released in January.

In addition, it is reported that 1 in 3 workers do not want to work for an employer that requires them to be onsite full time. See <https://www.nytimes.com/2022/02/07/opinion/culture/casual-workplace-remote-office.html?referringSource=articleShare>.

To develop and implement policies that promote work-life balance.

- Engage current workforce and ask employees what type of flexibility they are looking for
- Explore what if any remote work options are possible for your organization
- Think about scheduling options
- Does your company offer or can it offer mental health support?
- Are there ways your company can help to reduce stress to combat burnout and other life challenges ?

Notes: There is a need to be able to meet employees where they are at – first seek to understand and then determine where flexibility can be built in; more important than ever to fully understand the needs, drives and motivators of employees. Employers can use surveys/stay interviews and engage current workforce with dialogues on the flexibility they are looking for and implement policies that promote work-life balance.

If you have the means to work remotely – great. But many small businesses, like those in retail, food, construction, etc. can't offer remote flexibility. So, if you can't offer remote work, think of other ways to improve your employees' work-life balance. Work with them on scheduling, provide mental health support, or share ways to reduce stress to combat burnout and other life challenges.

D. Career Advancement

Many people are motivated by doing well and taking pride in their accomplishments and having more responsibilities and autonomy – growth, intrinsic value.

Employers look at their organizational structure and identify paths for advancement.

Offer training, educational opportunities and tuition reimbursement to support internal career advancement initiatives.

Benefits of promoting from within:

Employees feel valued and rewarded and have more loyalty (job titles and recognition).

Employees who advance typically also receive a higher salary.

Notes: Many employees are looking for career advancement. An option to give employees more intrinsic benefits and have greater value in their jobs - employers can identify high performers and reward them with promotional opportunities and career advancement.

E. Leadership and Management Development

Investing in training and developing leaders within your organization can prove invaluable for retaining key employees.

- Leadership development – identify and nurture employees who exhibit certain skill sets (think about what it means to be a leader in your company).
- Training and development – teach employees leadership and management skills
- Development of leaders and managers = better supervision of employees
- Leaders and manager can help with team development

Notes:

Employees who felt incentivized by their employers have more positive views of their company and its leaders, including trusting their company and being proud to work there. This reinforces the tie between a positive workplace culture and employee satisfaction and retention.

With shifts in work, especially to remote work, many companies did not focus on management skills of employees, which is critical in developing and maintaining a workplace culture that is positive and motivating to support retention and recruitment.

Employers should be sure to focus on training and development, proper supervision of employees, team development and leadership development. The value of investing in your people is far-reaching. Better retention and productivity are just a few benefits of developing your employees. It's not always about handing out a new job title or promotion.

F. Employee Feedback and Engagement

Employees who feel engaged are more likely to stay with your organization.
Employees who feel like they are being heard and are making an impact feel valued.

Engage employees

- One-on-one meetings
- Workplace outings

- Staff meetings

Obtain feedback and ASK questions during these interactions. Asking questions helps identify which areas need improvement (e.g., salary, benefits, leadership, work-life balance, or career development).

Once employees provide feedback, employers should take action.

Notes: Employees who feel supported by their employer tend to be less likely less likely to underperform and miss work, and more likely to feel comfortable discussing any issues with their employer. In addition, they had higher job satisfaction and intentions to stay at their company.

G. Implement Employee Well-Being Strategies

Have employee well-being strategies in place to address:

- Emotional
- Physical
- Financial and
- Social aspects of well-being.

III. Current Examples Of Innovative Retention Strategies

A. How Chipotle Addressed the Industry's Turnover Crisis

"We're working to improve every stage of the employee life cycle."

- Boosted its wage rates (average hourly wages climbed to \$15 in May)
- Added referral bonuses
- Identified and created pathways for advancement - Crew members can now become "restaurateurs," which is what Chipotle calls its highest GM role, in as little as three and half years.

Notes: Broadly, Chipotle's turnover rates are a sign of the disruption at hand. "We're working to improve every stage of the employee life cycle," the company said. "By enhancing the candidate experience, onboarding, and training, we are poised to improve retention. We know if we can set our employees up for success early on, we can improve the guest and employee experience, as well as other key metrics."

Boosted its wage rates (average hourly wages climbed to \$15 in May),

Added referral bonuses,

Pathways for advancement. - Crew members can now become "restaurateurs," which is what Chipotle calls its highest GM role, in as little as three and half years. If they get there, earning potential can go up to \$100,000.

In 2022, 90 percent of restaurant management roles at Chipotle came from internal promotions. On average, six employees were promoted per restaurant for a total of nearly 19,000. Its internal promotion rate was 77 percent for apprentice and GM roles in 2021.

B. Microsoft Moves to DTO (Discretionary Time Off)

“How, when, and where employees do their jobs has dramatically changed and DTO aligns with more flexible ways of working.”

- Microsoft implemented unlimited paid time off for salaried employees, citing flexibility benefits
- Microsoft will still offer 10 corporate holidays alongside the unlimited PTO — termed “Discretionary Time Off,” or DTO — as well as leaves of absence; sick and mental health time off; jury duty time off; and bereavement leave.

Notes:

- *Microsoft began implementing unlimited paid time off for salaried employees in the U.S. on Monday, a company spokesperson confirmed in an email to HR Dive.*
- *According to an internal memo, Microsoft will still offer 10 corporate holidays alongside the unlimited PTO — termed “Discretionary Time Off,” or DTO — as well as leaves of absence; sick and mental health time off; jury duty time off; and bereavement leave. Employees with unused vacation balances from the company’s previous framework will receive a payout in April 2023.*
- *“How, when, and where employees do their jobs has dramatically changed and DTO aligns with more flexible ways of working,” the spokesperson said.*

<https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/microsoft-is-moving-to-unlimited-time-off.aspx>

C. Dropbox Focuses on In-Person Experiences for Remote Workforce

First Dropbox let employees work remotely and saw record-high turnover. Then it offered in-person retreats - Retention soared.

Their Virtual First policy was followed by record turn-over. In response, they:

- Refitted offices for meetings (flexible walls, moveable furniture along with standard amenities such as conference room and kitchens)
- Started encouraging monthly team offsites
- Created ‘Dropbox Neighborhoods’: dedicated Slack channels for employees living in the same area to plan events like happy hours or volunteering days

HRtelligence TIPS

Support and incentivize employees to boost retention.

Work with a legal team to ensure your policies and practices are legally compliant and in accordance with applicable federal state and local laws.

Considerations before mapping out Employee Retention Strategies:

- Do your policies accurately reflect your company's current work operations including remote work (e.g., hybrid, fully remote or no remote work)?
- Have you considered technology updates to reflect current workplaces and/or remote work?
- Are you in compliance with wage and hour requirements?
- Are job descriptions updated to reflect recent changes?
- What processes can be fixed or improved?
- What can the business do to make employees more successful?
- In what ways can communication between leadership, managers, or staff be improved?
- What are some ways you can make it more enjoyable to work at your company?