

Retention Strategies for Success

WEBINAR OUTLINE

INTRO/SETTING THE STAGE

- Landscape of the Workplace in 2025
- Potential Challenges in the 2025 Workplace

EMPLOYEE RETENTION - WHY IT MATTERS SO MUCH

- What is Retention?
- Understanding why Employee Retention is Important
- Why Do Employees Leave?

EFFECTIVE EMPLOYEE RETENTION STRATEGIES FOR TODAY'S WORKPLACE

HRtelligence TIPS

I. INTRO/SETTING THE STAGE

Landscape of the Workplace in 2025

The workplace landscape is evolving rapidly, with a strong focus on flexibility, technology, collaboration, and employee well-being, demanding adaptability and continuous learning from both employers and employees.

Key elements of the 2025 workplace:

• AI integration:

Automation and AI will be deeply embedded in business operations, transforming many tasks and requiring workers to develop skills in collaboration with technology.

• Hybrid work model:

Most companies will adopt a hybrid work model, allowing employees to split their time between the office and remote work, with a focus on creating a seamless experience across locations.

• Employee experience focus:

Companies will prioritize employee well-being and engagement through initiatives like flexible work schedules, mental health support, and personalized development opportunities.

• Upskilling and reskilling:

Continuous learning and skill development will be crucial as roles evolve due to technological advancements, with companies providing opportunities for employees to acquire new skills.

• Gig economy growth:

The gig economy is expected to mature, offering more stable and career-building opportunities for freelancers and contingent workers.

• Data-driven decision making:

Organizations will increasingly rely on data analytics to make informed decisions regarding workforce management, talent acquisition, and employee engagement.

• Focus on human skills:

While technology will be pervasive, soft skills like creativity, collaboration, critical thinking, and emotional intelligence will remain highly valued.

• Evolving leadership styles:

Leaders will need to adapt their approach to effectively manage diverse teams, promote collaboration, and foster a culture of continuous learning.

Potential challenges in the 2025 workplace:

- Managing a distributed workforce: Maintaining team cohesion and communication when employees are spread across different locations.
- Cybersecurity concerns: Protecting sensitive data in a remote work environment.
- Work-life balance boundaries: Ensuring employees can disconnect from work during personal time.

- Digital equity: Addressing potential disparities in access to technology for employees in different locations.
- Introduction of AI

EMPLOYEE RETENTION - WHY IT MATTERS SO MUCH

What is Employee Retention?

- Employee retention is the practice of keeping employees engaged and committed to an organization for the long run.
- It directly impacts business success and sustainability, making it a top priority for HR leaders and managers.
- At its core, retention is about fostering a work environment where employees feel valued and motivated leading to higher productivity, stronger team morale, and long-term organizational stability.
- The 3Rs of Retention recognize, reward, and retain. Organizations that have robust programs in place to focus on these three areas are prioritizing their people and understanding that employees are the core of their business.

Employee retention isn't exclusive to monetary rewards. Non-monetary recognition is a significant driver for many organizations, especially those with frontline or offline workers. The key is to prioritize frequent, meaningful recognition, which is a key part of improving employee productivity and belonging. When employees feel like their efforts are seen and appreciated by leadership, they're less likely to job hunt.

Understanding Why Employee Retention is Important

Employee retention strategies are invaluable, not only because they help reduce turnover but because they're an integral part of keeping employees engaged and productive. According to Gallup, employee retention is one of the biggest challenges organizations face in 2025 — and with the new normal of remote work, employees have a wider range of potential employers to consider than ever before.

HR leaders need a mix of strategies to keep employees engaged and committed. Creating open feedback channels, fostering a culture of recognition, and implementing other key techniques can go a long way in improving retention — not just for this year, but for the long run.

As competition for top talent grows, creating an environment where employees feel valued and supported is more important than ever.

Employee retention needs to be top of mind for any company, as the cost of losing top talent is significant. The cost to replace an existing employee doesn't even account for losses in valuable time, knowledge, productivity, or cultural impact. It also affects

motivation, productivity, and performance at work. Before employees quit, they may become less of a team player, do the minimum amount of work, and fail to commit to long-term deadlines.

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.)

Note: <u>**42%** *of employee turnover is preventable*</u>. *The key is to pinpoint the issues that may be driving employees to leave and address them before it's too late.*

Why Do Employees Leave?

If a company wants to improve retention, it first needs to understand why employees choose to leave their jobs. There are several key factors that often influence an employee's decision to move on:

- Mismatched job expectations: When an employee's expectations of a job don't align with what was promised or understood during the hiring process, they may feel inclined to leave to find a better fit.
- Lack of career growth: Employees commonly leave companies when they feel there's no room or opportunity for advancement, professional development or even lateral moves that will help keep things fresh while expanding their skill sets.
- Inadequate compensation: When pay and benefits offer less value than that of competitors, employees may feel compelled to look for a better offer elsewhere.
- Poor management: A direct supervisor's leadership style and ability to manage can significantly impact an employee's satisfaction and longevity at a company. Empathy from leaders is also a key trait, according to the 2023 Ernst & Young "Empathy in Business Survey," in which 86% of U.S. employees said empathetic leadership boosts morale.
- Insufficient work-life balance: Excessive workloads and inflexible schedules can lead to burnout. More and more employees are beginning to look for jobs that offer flexible hours, hybrid schedules or other similar benefits.
- Lack of recognition: Employees want to feel appreciated for the work they do. Feeling that their contributions are undervalued or go unrecognized can diminish job satisfaction and increase turnover.
- Company culture: An organizational culture that doesn't align with an employee's values or fails to foster a sense of belonging can push them to exit. In some cases,

it's simply a cultural mismatch. In others, company culture may be unethical, non-inclusive, cutthroat or even abusive.

- Job security concerns: Lack of transparency about mergers and acquisitions, rumors of downsizing and questions about funding can create uncertainty and prompt employees to look for more stable opportunities.
- Desire for change: It's not always the company; sometimes an employee's path of personal growth — or a major life change — necessitates a career shift, different working environment or simply a move elsewhere.
- Workplace relationships: Interpersonal dynamics and conflicts with colleagues or management can significantly influence an employee's decision to leave.

EFFECTIVE EMPLOYEE RETENTION STRATEGIES FOR TODAY'S WORKPLACE

Build employee engagement

Unfortunately, only 1/3 of employees say they're very engaged, and with disengaged employees costing the world \$8.8 trillion in lost productivity, retention is non-negotiable.

An engagement platform can help you ask the right questions and reveal how employees truly feel about their role, team, and manager. In place of long annual surveys that aren't actionable, try regular employee satisfaction surveys to help measure employee engagement in real-time.

Recognition and Rewards

Employees who feel appreciated work harder and stay longer but the reality is that many employees will leave their job if they feel underrecognized at work. Building a culture of recognition requires frequent and specific acknowledgment.

To make consistent recognition a reality, prioritize both social recognition and monetary rewards, by using an employee engagement platform that lets employees — in-office, remote, and offline — accumulate and redeem points for rewards that actually matter to them.

Recruit the right employees

Find ways to attract candidates who align with your culture, such as emphasizing your culture on your careers page — things like monthly massages, onsite fitness centers, or generous parental leave policies, or highlighting awards like being a "Best Places to Work".

Expand your talent pool by building relationships with professional groups, community college career offices, and other relevant associations. Additionally, offering professional development, flexible schedules, and remote work options can help attract and retain employees who are looking for opportunities that match their needs and values.

Create an exceptional onboarding experience

Help new employees by educating them on their responsibilities, giving them the agency and resources needed to complete their work, and creating an environment where they feel accepted. Introduce new hires to their teammates and set them up with a coach so that they have someone on-hand to answer questions. You should also ensure that remote employees aren't left behind when it comes to onboarding.

Remember to find ways to integrate groups who are returning to work, including new parents, employees coming back from extended leave, or contract workers who are signing on full-time.

Provide avenues for professional development

Supporting professional development and continuous learning is an essential part of employee retention. Educating your employees, setting up clear career paths, and instituting coaching programs make everyone more creative, engaged, and effective at work. You can also host internal knowledge sharing sessions where employees teach one another new skills.

Ask managers to take chances on employees who have shown interest in other areas. It shows that managers care about their career trajectory and trust them to bring their expertise to other areas of the business.

Build a culture employees want to be a part of

Culture is paramount to attracting and retaining top talent. Employees who feel a strong sense of cultural connectedness to their company are 4 times as likely to be engaged at work and 43% are less likely to be actively looking for another job. A <u>2024 Engagement</u> and <u>Retention report</u> from Achievers Workforce Institute (AWI) also found that employees would leave their current job for a lower-paying one at a place where they feel supported, cared for, and valued.

Developing a standout culture involves rewarding people who act on your company's values every day. These values should be meaningful to every employee and communicated in a way that everyone can internalize and understand.

Offer Incentives

There are endless ways to incentivize your employees. First, ensure that the compensation your organization offers is appropriate - it's a major reason behind employee departures. Then think about other monetary incentives like referral programs, tuition reimbursement, and profit-sharing.

Wellness rewards, like gym memberships, can help your employees unwind and take care of themselves. Giving managers a stipend to put on fun events each month, letting employees choose what projects they work on, and providing extra paid time off to rest and recharge are also excellent motivational tools.

Manage to retain

The best managers act as coaches and focus on helping their people reach their full potential. They're optimistic, assertive, recognize employee value, and provide actionable feedback. Managers who recognize employees consistently help improve employee confidence and engagement.

A culture of recognition matters and companies that use employee retention software can train managers to show appreciation frequently and meaningfully.

Prevent burnout by focusing on employee wellness

Many employees feel the effect of burnout. Burnout symptoms like a lack of energy, negative emotions, and feelings of isolation are tough to overcome.

The good news is that your organization can help change this. Start with building a wellness program to help improve employees' emotional and physical health. Try giving employees more flexible hours and make sure that responsibilities and expectations are clear and appropriate. Teach managers to look for signs of burnout and reach out to people who might be struggling and encourage employees to use vacation time, take up a hobby, and lead a healthy lifestyle.

Finally, ask your employees for feedback. They probably know exactly what is causing burnout in your organization and have ideas on how to combat it.

Maintain open - and ongoing - communication

Authentic, honest, and transparent communication from an organization to its employees, whether they work on-site or remotely, is critical for letting them know what is happening within the organization and what the expectations are. This is especially important when there are organizational or economic changes happening. Employees want to feel supported and connected and not be caught off-guard.

In turn, employees should be encouraged to share their feedback, ideas, and concerns with their managers. Employees should feel free to share their opinions and experiences about their workload, job satisfaction, etc.

Offer flexibility that employees need

Flexibility benefits both employers and their employees. It shows that companies are committed to helping employees balance their professional and personal lives more effectively. Companies can offer remote and hybrid work arrangements, create versatile office environments to make it an enjoyable place to work, or adopt collaborative communication channels to keep remote and on-site teams connected.

Build a culture of coaching

Employees who receive regular, meaningful coaching from their manager are twice as likely to recommend their manager to others. Managers should open doors for employees to take part in new projects and skills training opportunities, help them build meaningful connections, and empower their team to work with autonomy.

It is also important that managers act as coaches, not as traditional managers, who understand employees' strengths and weaknesses and help them identify the skills they need to succeed at work.

Standardize performance reviews

Standardized performance reviews can play a huge role in retaining employees. It provides a consistent and well-organized approach to evaluating employees' performance and contributions. Practices such as regular feedback cycle or weekly one-one meetings can be a great start in creating an engaging workplace where employees feel heard and valued.

Provide employee benefits that matter

Companies that offer a comprehensive benefits package can significantly boost employee satisfaction. These benefits are non-salary compensation and include many options from rewards programs to gym membership discounts. Offering benefits that matter to employees starts with understanding your organizational goals and values.

Whether it is to promote work-life balance, attract higher quality candidates, or decrease turnover, identifying the goals of your benefits program and offer a wide range of perks ensure that your company is making the most of its available budget.

Foster teamwork whenever possible

Managers can create opportunities for collaboration within their team and crossfunctionally to promote employee engagement and connections. One way companies can boost teamwork is to encourage employee recognition. When employees show appreciation for one another, it strengthens relationships with their peers and managers. A collaborative culture not only encourages bonding between coworkers but also drives higher productivity and employee performance.



Support and incentivize employees to boost retention.

Success in 2025 will depend on how well companies can integrate these elements into a coherent whole. The most successful ones will:

- 1. Create balanced human-tech systems that enhance rather than replace human capabilities
- 2. Build transparent, trust-based relationships with employees
- 3. Develop adaptive cultures that turn challenges into opportunities
- 4. Invest in continuous learning and development
- 5. Focus on meaningful engagement and well-being

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.