

workhuman*

Your Employee Retention Checklist

4 REASONS EMPLOYEES LEAVE
4 WAYS TO MAKE THEM WANT TO STAY





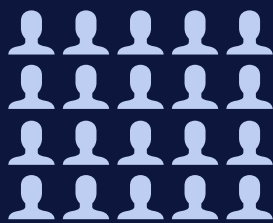
In today's uncertain economic climate, it is imperative that leaders work to improve the employee experience by meeting the rapidly changing needs of their workforce. A Workhuman® iQ survey of more than 4,100 full-time employees in the U.S., U.K., Ireland, and Canada offers some revealing insights into the vastly evolving world of work. This report also features guidance on how companies of all sizes can retain more of their talented humans in the midst of these cultural shifts.



Employee turnover – by the numbers

Overall, nearly 37% of those surveyed are planning to look for a new job in the next 12 months. This projected voluntary turnover has the potential to cost businesses billions. According to Gallup, the cost of replacing an individual employee can range from one-half to two times the employee's annual salary.

That means a 500-person organization, with an average salary of \$50,000, could have turnover and replacement costs of approximately \$3.3 to \$13 million per year.



500-person
organization

x



\$50K
average salary

=



\$3.3 – \$13M
annual replacement
costs

For a company with 2,500 employees, the price tag is a whopping \$16.5 to \$65 million per year.

With that as a backdrop, let's look at some of the reasons humans are leaving their jobs and how you can reduce turnover at your organization.

4 reasons why humans leave their jobs

#1 The need for flexibility

The rapidly evolving world of work has forced a dramatic shift in the employer-employee relationship. It's also helped workers realize what really matters when it comes to their careers. Of those workers planning to look for a new job, nearly 20% cited "I want more flexibility" as their primary reason for doing so. That number jumped to 25% for employees with caretaking responsibilities.

#2 Stress and isolation

It's no surprise many workers are reevaluating their jobs considering the stress and isolation they've endured these past few years. Burnout presents in many shades at work. While most employees are functioning on autopilot no matter where they work, hybrid workers have the most trouble staying focused. On-site workers have an easier time with focus but lead the way in feeling mentally exhausted and drained.

#3 Poor manager-employee connection

The shift in where work gets done, with increased flexibility, is good for employees. But for organizations and people leaders, it makes the need for clear, consistent communication even more important. Leaders can no longer rely on word-of-mouth or quick hallway conversations for important information about company initiatives to circulate throughout the organization.

Frequent check-ins are critical in the manager-employee relationship. When surveyed, employees whose managers checked in at least weekly rated their leaders nearly 2x higher than managers who never check in (7.6 vs. 4.2 on a scale of 1-10).

Likewise, workers who received feedback within the last month – as opposed to never – are much more likely to feel a sense of connection to their company as a whole (50% vs. 31%).

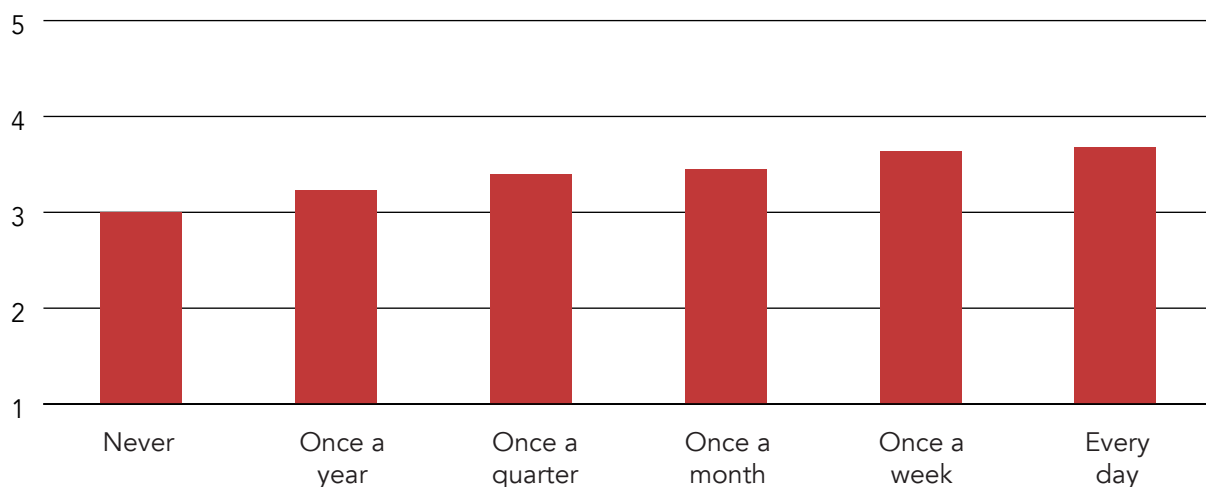


#4 Psychological safety

Today, there's a more nuanced lens on diversity, equity, and inclusion – called psychological safety – that companies should address to stay competitive in this job market. Why? Of those who feel psychologically safe, only 11% are looking for a new job, compared to the 29% of job seekers who don't feel psychologically safe.

There are many positive means through which employers can improve their employees' psychological safety. Frequent check-ins with managers, recognition for a job well done, celebrating life events, and participation in employee resource groups (ERGs) can all help workers feel more secure in their employment.

The more frequently employees check in with their managers, the more psychologically safe they feel.



Relationship between frequency of check-ins and psychological safety rating (1-5 scale)

4 ways to make your employees want to stay

#1 Embrace work-life flexibility.

Organizations that promote work-life harmony have seen greater engagement and productivity and a reduction in turnover. To advance a workplace that blends the needs of work and personal lives, companies should mandate time off, enable employees to schedule their time in the office, and provide additional leave for mental health days.

#2 Recognize the good, often.

Recognizing employees for the work they do is proven to increase engagement, satisfaction, and productivity in the workplace. For organizations struggling to minimize burnout and maintain productivity, authentic appreciation may be a solution.

Employees who partake in recognition programs are more likely to feel connected to their organization, their colleagues, and their work. These employees are also more likely to feel like their workload is manageable and more likely to recommend their company to a friend.

There are many more outsized business benefits of recognition. Employees who partake in recognition programs are:

1.5x more likely to feel
connected to their organization

1.3x more likely to feel
connected to their colleagues

1.2x more likely to feel like their
workload is manageable

1.4x more likely to **recommend**
their company to a friend

#3 Make time to listen.

People leaders and their direct reports need consistent check-ins to stay on track and keep priorities clear. Managers should conduct frequent check-ins with their employees to create a sense of trust, connection, and belonging. Frequent check-ins can prevent a spiral of disengagement and exhaustion and demonstrate employees have the support and guidance they need. That's the kind of nurturing culture where employees will want to stay and grow.



#4 Create an environment of social support.

So, what does it take to move the needle on psychological safety? How can you create an environment of social support that allows everyone to speak up? An environment that enables innovation and engagement to flourish? As a manager, it starts with having authentic and genuine dialogues with your employees. Ask them what you can do to help them achieve their best. Probe them about what conversations you need to have to be sure nothing is overlooked. And challenge them to think about ways they can help even more.

Want to learn more about how you can
enhance the employee experience and
reduce turnover at your organization?

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