



Retaining Great Employees

WHITE PAPER

There are many obvious financial benefits that are associated with employee retention. In fact, retaining top employees is a key pillar of your HR department's success. The good news is that most of the reasons why employees leave their jobs are within your control, but what about the less obvious ones?

ZenHR highlights 5 hidden reasons that can push your best employees to quit

5 Hidden Reasons Why Employees Leave

1 LACK OF COACHING AND FEEDBACK

Your employees joined your organization with a wide range of expectations. Even if those expectations were not met, some stay and adjust, some disengage and stay, and many disengage and leave. Your employees need to clearly understand what you expect of them, and how you will help them get there. It's not enough to ask them to blindly follow. No one can commit to a goal if they don't see why it's important for them to do it in the first place. Make sure that you keep communication channels open with your employees at all times and give constructive, objective and non-judgmental feedback to guide their path towards improvement.

2 UNCLEAR EXPECTATIONS

While it's normal for stress to increase when there is change at work, employees often say that the top stressor at work is not having clear expectations of what is required from them. Being honest and open about the challenges associated with the job from day one can help you filter out those who'll end up leaving.

3 LACK OF GROWTH OPPORTUNITIES

Discussing career paths and growth opportunities is something many companies forget to do. But your employees need to feel that they have a purpose. They want to know where they stand in the big picture and that they are making a difference. Smart companies understand that in order to keep their best employees, they have to take the time to discuss their personal goals and career aspirations.



4 LACK OF APPRECIATION

“Expressing appreciation is one of the easiest ways to keep employees happy, motivated and engaged.”



1 minute spent on recognising behaviour
= 100 minutes of initiative in return.



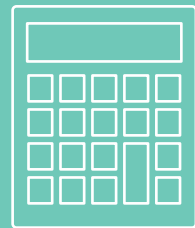
Yet 2 out of 3 people receive no
workplace recognition in a given year.

Employees want to feel appreciated. By celebrating small wins and making it a habit to recognize and praise successes, you will keep your employees challenged. Your best employees continuously want to achieve the best they can. Appreciation keeps great employees producing great results. Public recognition can be a great push for all of your employees.

5 POOR CULTURAL FIT

It comes as no surprise that a positive company culture supports a productive work environment. Coworkers who share similar values report higher job satisfaction levels and tend to perform better than employees who don't share common principals and ethics. But since employees spend more than third of their lives at work, cultural fit should be taken into consideration as a major factor in employee turnover. There are many employees who are amazing on paper, yet fail to blend in within the environment and eventually they end up leaving.





How to Calculate **Employee Turnover**

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CALCULATE MONTHLY EMPLOYEE TURNOVER RATES:

$$\text{Monthly Turnover Rate} = \frac{\text{Number Of Separations During The Same Period}}{\text{Average Number of Employees During the Month}} \times 100$$

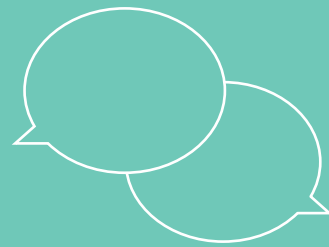
Example, let's say we lost 4 employees out of 200

$$M = \frac{4}{200} \times 100 \quad M = 2\% \text{ Monthly Employee Turnover Rate}$$

CALCULATE EMPLOYEE TURNOVER WITHIN THE FIRST YEAR:

$$\text{First Year Turnover Rate} = \frac{\text{Number of Employees Who Leave After Less Than 1 Year of Employment}}{\text{Number of Separations During the Same Period}} \times 100$$





How to Enhance **Employee Engagement**

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Meaningful Work



Positive Environment



Growth Opportunities



Trust in Leadership



Hands-on Management





How to **Retain** **Your Best Employees**

So How Can You Retain Your Best Employees?

1. HIRE FOR CULTURAL FIT

Company culture is often portrayed as the easiest part of management when in fact, it is the hardest. Managing your corporate culture is all about figuring out the attitudes and behaviors that are critical to the success of the company. There are many potential candidates who look amazing on paper, but the hardest decision of all is to choose one qualified person to hire. Since personal characteristics are hard to figure out, testing your candidate's cultural fit is no longer optional. You need to take proactive steps to incorporate tests into the interview process that can determine if the candidates' attitudes, work ethic and values are in line with those of the company.

2. OFFER CAREER ADVANCEMENT OPPORTUNITIES

Great employees are always on the lookout to learn new skills and to increase their knowledge. Attempting to limit your best employees' responsibilities will result into mediocre outcomes, and eventually will push them to seek another place to foster their career growth. By empowering your employees to unleash their creativity, they will almost always find ways to do better at their jobs than you imagined possible. You want them to feel fully responsible and competent to do their job. This is what ownership is all about.

3. SET CLEAR EXPECTATIONS

Your employees need to have an accurate picture of the expectations and the goals associated with each job and how their performance will be measured. This can help you filter out those who'll end up leaving the company. Employees need to understand the company's vision. It's never enough to expect them to blindly follow. No one can commit to a goal if they don't see why it's important for them to do it in the first place. Make sure that you align their personal goals with those of your business.

4. REMOVE THE BAD APPLE

Negative attitude from one employee can have a tremendous effect on the motivation and satisfaction of an entire team. While it's very common for employees to make negative comments occasionally, a bad attitude that never seems to subside is a cause for concern. Keeping poor performers and employees who have negative attitudes will do more damage than good. Make sure that you address the negative behavior immediately and clarify exactly what they did that led them to this point. Terminating the "Bad Apple" can turn out to be the best solution. Keep in mind that it's not the people you fire who make your life miserable; it's the people you don't.

5. PROMOTE WORK-LIFE BALANCE

Many employees feel challenged by explicit or implicit expectations to spend long hours at work. This will eventually lead to increasing dissatisfaction with work-life balance and will have a direct impact on employee turnover. If your company works in an industry that might benefit from offering work-life balance, you can introduce a number of perks including flexible working hours and telecommuting. Management support is a key factor in achieving work-life balance because when employees are able to manage their time, they will be able to take control of their lives.

46%

of HR employees say **employee burnout** is responsible for up to 50% of their **annual workforce turnover**.





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