

Improving Employee Retention



Orla Donagher



Introduction

- ▶ Background in People Management and Recruitment
- ▶ Career and Interview Coach past 12 years
- ▶ Soft skills and HR related training
- ▶ Seminar speaker Jobs EXPO
- ▶ QQI cert. People management and Group Training



Increase in staff turnover

Irish examiner report last year

- Highest increase in turnover 2020 to 2021 (18%)
- Was 10% in previous years
- 54% employees due increase in salary to retain them
- Report concluded remote working arrangement high on HR agenda

The main reasons employees leave



Poor working environment

- Team/management / negative situation – conflict/ bullying etc

Salary & benefits below market rate


Psychologic contract =broken

- Had been promised something

Commute to work is an issue

Lack of workplace flexibility leading to child care issues

Insufficient life work balance



Lack of
acknowledgment from
company/management
/line manager

57% leave for this reason
(betterup.com survey)

Poor relationship with
boss

Lack of or perceived
lack of career
progression

Stress levels or
pressure too constant –
leads to burnout

Job monotony or
fatigue
Frustration not learning new
skills

Since covid 19

- Huge increase in demand for hybrid working
- Staff want different arrangement
 - 100% working from home
 - 100% working in the office
 - Hybrid arrangement
- Company needs to balance between offering more flexibility versus model suits their business needs
- Employee will leave if they don't get what they want

Primary motivations....



Maslow's hierarchy of needs

<https://www.simplypsychology.org/maslow.html>

Investigate – Take the bulls by the horns

- Exit interviews
- Staff appraisals
- Staff interviews
- Staff forums /think tanks



Why are staff leaving your company?

Why is it important to know ?



Retention rates cannot be improved unless you investigate reasons specific to your organisation



Why are good retention rates important?



Create positive working environment

Build relationships, cohesion amongst staff

High turnover = bad for morale



Increase company profits

Keep highly skilled or experienced workforce

Replacing staff can be costly 1.5 - 2 x salary

Better customer service



Positive image for the company

Selling point for new potential staff, new investors



High turnover can lead to a stressful environment

Need to constantly train up new staff

High retention means skills are staying within the company



Benchmarking your own organisation

Retention KPI's

How to calculate your companies retention rates

Divide the number of employees on the last day of the given period by the number of employees on the first day. Then, multiply that number by 100 to convert it to a percentage

Example

450 employees on January 1st 2023 and 410 employees on December 31st 2023.

To calculate your yearly retention rate, divide 410 by 450 and multiply by 100. $(410 / 450) \times 100 = 91.1\%$ yearly retention rate

What figure are we aiming for?

90% retention

- Can vary depending on the industry
- Lower retention rates
 - Hospitality
 - Food
 - Retail
- Higher retention rates
 - Finance
 - Education
 - Insurance



Key retention strategies



Positive Leadership

- Inverted leadership pyramid
- Progressive and open communication flow

Competitive salary and benefit strategy

- Market rate and over

Workplace flexibility

- Life work balance = Key post covid

Staff engagement

- Forums , Questionnaire , feedback sessions where employees feel part of it !!

Defined and useful education paths


- Choices add value to business and employee
- E.g. Volkswagen financial services 3 month sabbatical

Career coaching sessions

- Employee feel there is an investment in retaining them
- Keep employee and their skills fresh

Inclusive, diverse & equality focused company culture

- More likely to stay feel embedded in company culture
- Diverse workforce = huge add value
- Positive environment main reason people stay



Grievance procedure

- Deemed fair and transparent

Communication

- Culture
- Process

Effective Recruitment process

- Getting it right first time staff more likely to stay



Other organisations

Organisations highest retention rates 2022 (USA Stat's)

- ***HSBC = 10 years***
 - Remuneration and benefits package
 - Regular and significant pay rises
 - Work life balance
 - Employee have a positive view of their colleagues
- ***Neutrogena = 10.2 years***
 - Positive work culture
 - Employees feel appreciated
 - Supportive management
 - Professional development

Best places to work 2023 Ireland

Large Organisations

1. Version 1
2. Cisco
3. Salesforce
4. Workhuman
5. CPL

Medium Organisations

1. Distilled
2. Cloudera
3. Block inc
4. Hilton
5. WP engine

Small organisations

1. Statkraft
2. Mitchell McDermott
3. ERSI Ireland
4. Broadline group
5. Nexa

According to the CIPD

Majority of companies top three strategies to improve retention

1. Flexible work practices (71%)
2. Championing diversity (54%)
3. Improving the employer brand (41%)

In summary

- The main reasons employees leave
- Why is it important to have a high retention rate within your organisation
- Bench marking your own organisation
 - KPI calculation
- Key retention strategies
- Keeping up with the best
 - Sample of organisations with high retention rates

Q & A

dcm THE
LEARNING
EXPERTS