Getting your retention strategy right

Developing a retention strategy to understand why people leave and why people stay.

Includes survey-based data and insights from the Canadian workplace!

ADP Always Designing for People®

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Introduction

Employee retention and turnover are related. Many organizations use retention and turnover interchangeably, but they are different populations. Retention measures who is staying, turnover measures who is leaving.

The key components of any retention strategy are:

- Calculating and benchmarking turnover to understand which employees are leaving.
- Calculating and benchmarking tenure to understand which employees are staying.
- Tracking data on other key metrics to get a clearer picture of what is happening and where.
- Exploring the reasons why people both stay and go, through data collection and analysis, surveys, interviews and investigations.
- Assessing possible causes and determining whether the organisation can realistically influence the issue.
- Developing an action plan that will be effective and align with business strategy.

Having accurate data and a comprehensive picture of what is happening in the market, within the organisation and with employees is the first step in creating an effective retention strategy.

In developing a retention strategy, it is important to understand why people leave. It is also essential to focus on why people stay.

Understanding retention

Understanding retention involves analysing and understanding both turnover — who is leaving and why — and tenure — who is staying and why.

What is retention?

Retention is the measure of how successful organisations are at keeping the employees they want to continue to work there. Retention focuses on a business's rate of voluntary turnover.

What is turnover?

Turnover is the rate that people leave their jobs. All organisations have turnover. It is expected, normal and part of every business.

ADP data shows that monthly turnover rates are around 2–3 percent of the employee population.[2] These rates can vary by size, industry, levels of hierarchy in the organisation, geography, local economy and larger market factors. The decision to leave an organisation can depend on what it's like to work there, as well as the needs, priorities and life-stage of individual employees.

There are two types of turnover: Involuntary and voluntary.

Involuntary turnover describes the employees leaving because the organisation terminated their employment, usually due to layoffs or performance issues. Involuntary turnover is something each organisation addresses based on its needs.

Voluntary turnover describes the employees who choose to leave. This is the turnover that organisations do not want because they value the employees, it may be hard to replace them and the cost of recruiting and lost productivity can be expensive.

Why retention matters

Having a workforce of experienced, high-performers is every employer's goal. Employees are essential to the quality of an organisation's products and services, and its relationships with clients.

Losing great employees has negative consequences and can be expensive. Research suggests that direct replacement costs can reach as high as 50–60 percent of an employee's annual salary, with total costs associated with turnover ranging from 90 to 200 percent of annual salary.[3] The cost is less for lower-skilled and lower-wage positions, but it can be much higher for highly skilled and executive positions. These costs include recruiting and training new employees, as well as the loss of productivity while the jobs are open.

There are additional losses when an employee leaves, such as the loss of morale and productivity for remaining employees. The organisation also loses all the experience and institutional knowledge the departing person has, which is often significant when a longtime employee leaves. Client relationships can also be disrupted, sometimes resulting in loss of contracts.

This all has an impact on the bottom line. That makes retention and turnover and knowing what to do about it an important part of an organisation's business strategy.

For example, during the COVID-19 pandemic and its aftermath, transformation of various practices and protocols was hastened in the workplace. Canadians had come to expect a a more flexible workplace and the freedom to work from anywhere. Over half of Canadian workers surveyed by ADP Canada (55%) believe their employers should allow them to choose their preferred work location. This is especially true for younger workers, ages 18 to 34, with two-thirds of survey respondents wanting the freedom to choose their place of work.[4]

Moreover, Canadian business leaders surveyed appear to be amenable to providing a flexible work location, as over six-in-10 managers and businessowners say they would allow employees to work from anywhere.[5]

How the market and the economy influence retention

The growth or contraction of the overall economy, as well as economic factors affecting local job markets, each have significant impacts on employee retention.

There is a strong connection between the economy, unemployment rates and voluntary turnover. When the economy is growing, job growth increases and unemployment rates decline. Workers have more opportunities to change jobs and feel more comfortable going to new organizations. In a growing economy, employers are often hard-pressed to find qualified workers to fill openings and to keep the employees they have.

Conversely, when the economy slows, and unemployment rates rise, employees tend to stay in their jobs longer. Employees are more hesitant to make a change because there are fewer opportunities. Employers are often leaving open positions unfilled or conducting layoffs.

Other market factors can also affect retention. If a competitor opens a plant or office near an existing company, there may be more qualified employees in that region compared to other places, but both organisations could face a shortage of skilled workers because there are not enough people to staff both places.

In this example, retention becomes even more important because it will be less expensive for the competitor to recruit talent away from the existing company than to move new workers into the area or train people.

There are three primary points of focus that influence retention:

The market

↓

The organisation

↓

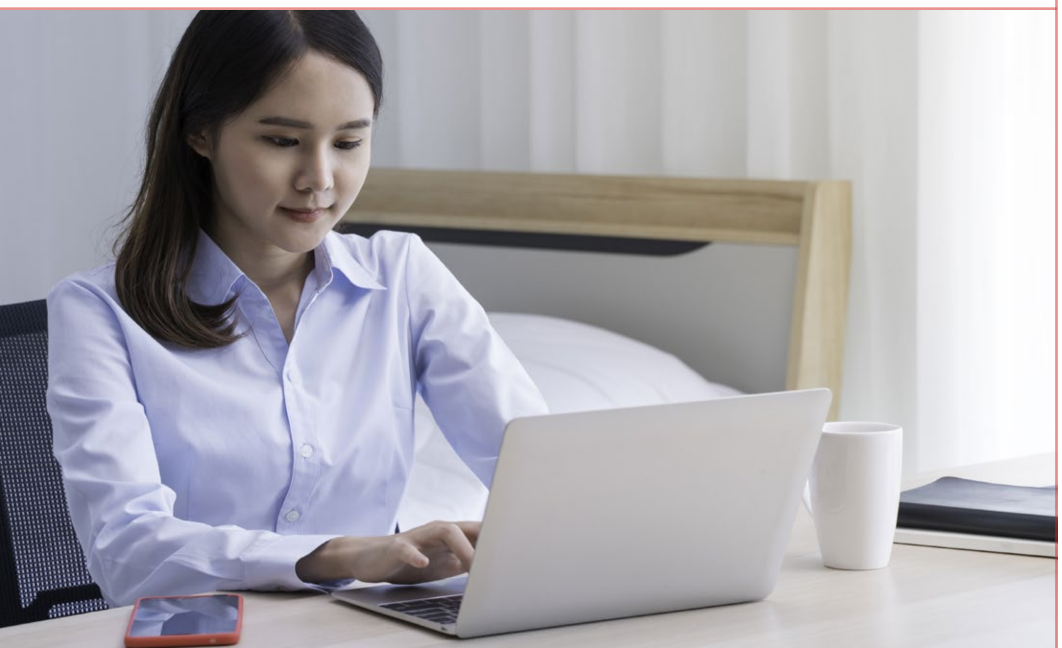
The employee

How the organisation influences retention

What it's like to work for the organisation is a significant factor in whether and how long employees will stay. There are many factors that can affect the relationships between the organisation and its employees including culture, compensation and benefits, work relationships with managers and colleagues, and — of course — the work itself. Opportunities for growth and development also make a difference in how employees build their careers over time.

The ADP Research Institute's "Evolution of Work 2.0 Report"[6] explains: A majority of employees take pride in their work and have greater loyalty to their companies than employers estimate.

But globalization of business, domestic and world politics, corporate profits and automation has eroded the confidence that employees feel in their companies and the work they perform. While the continued rise of multinational corporations and a global workforce have led to more efficient and streamlined business practices, they have also created a one-size-fits-all script to HR policies that risks being too impersonal to attract and retain the best talent.



How the employee influences retention

Retention is also influenced by what is happening in the lives and life stages of individual employees.

Younger employees tend to change jobs more often because they are starting out in their careers and relationships. They are generally more mobile. Workers under 25 years of age have the highest monthly turnover rates of 4.1 percent, while 26–35 year-olds leave at a rate of 2.8 percent per month.[6]

As people settle into careers they enjoy, they usually stay with an organisation longer. Monthly turnover rates for employees ages 36–45 are 2 percent, ages 46–55 are 1.6 percent and ages over 55 are 1.3 percent.

With different factors influencing retention, it's important to understand how each of these can affect your organisation and what you can do to improve and manage employee retention. New generations of workers are bringing new personal priorities into the workplace.

The emergence of diversity, equity and inclusion (DE&I) has become a major personal priority, especially for younger workers in Canada.

Nearly half (47%) of employed Canadians (aged 18 to 34) surveyed said they would be more loyal to their organisation if their company took a positive public stand, on social justice issues such as diversity, equity and inclusion.[7] These feelings may be heavily weighted attributes of ideal employees as the future of work continues to emerge. As a result, employers should develop an effective DE&I strategy to help attract and retain the talent they need.

What data to track to monitor retention

Data often shouts "Danger, danger!" Do you have the tools to capture it and are you listening?

Data can often warn us of issues before we notice them. Understanding the data and having a regular schedule for reporting and analysis helps organisations see what is actually happening. Tracking data over time can help spot potential problems before they become bigger problems.

For employee retention, it is not enough to just monitor turnover rates. When an organisation only focuses on who is leaving, it can ignore the most obvious important part of retention: *Who is staying*.

To see your organisation's retention data picture, start by tracking this data:

Turnover rate reveals who is leaving. Benchmark overall rates against similar organisations in the area and track internal rates monthly to spot changes and trends. For retention, focus on voluntary turnover rates.

Tenure rate reveals who is staying. Know the average tenure rates for your industry and levels of hierarchy. Also, check specific departments, teams or individual jobs. Where there is long tenure, talk to long-term employees to get their insights on what is changing, what is working and what can be improved. If there are groups or departments with long tenure, consider whether your company needs to plan for upcoming retirements.

Flight risk predictions use data correlations for many aspects on employment to determine a likelihood that employees will leave soon. This data set can provide a sense of anticipated turnover to plan recruiting needs, as well as give insight into areas where the organisation may want to intervene to try and persuade employees to stay. Predictive analytics are a statistical indication of likelihood, not a pronouncement. If the organisation is concerned about employees, it is important to find out what is happening with those individuals and not simply rely on the prediction.

Terminations/reasons show why people left. This data is often kept as part of separation records. Also consider doing exit interviews when people leave voluntarily to learn more about why they decided to leave. Some companies like to wait a few months after people leave to do a survey or phone interview, because emotions are not as high and the former employee if often more comfortable offering insights.

Engagement data offers insights into what people think and how people are feeling about their work and the organisation. This provides clues into culture issues including retention. But it can be a double-edged sword. If your company sends out surveys about certain issues, it should be prepared to either act or explain why it can't make a change. Otherwise, people can feel like they were asked for their opinion then were disregarded or ignored which, in turn, can diminish engagement.

> **“The most exciting phrase to hear in science, the one that heralds new discoveries, is not Eureka (I found it!), but rather, ‘hmmm…that’s funny“**

Isaac Asimov
Inventor of the term “robotics

Survey response rates reveal whether employees are willing to respond. There are varied reasons for low survey response rates, such as people are too busy, they are receiving too many surveys and have “survey fatigue,” or they are really unhappy and don’t want to say anything. Urging people to respond can signal that the organisation wants them to say what it wants to hear, which will usually result in inaccurate data. So, if response rates are low, it is important to find out why before taking any action.

Absence rates show whether people want to and can show up to work. If absence rates are trending up, look at specific divisions, locations and other factors in the data to see where problems are, so you can investigate. There may be environmental issues that need to be addressed, a difficult manager, or a team that has worked really hard and needs some time off. Check your absence rates monthly to see seasonal trends and account for normal fluctuations during summer months and the holidays.

Average earnings show compensation rates within the organisation. These can be benchmarked. Look at employee demographics to see whether there are pay equity issues, which can be an indicator of larger problems. Tracking compensation is essential to both retention and staying competitive in recruiting new employees.

Time to promotion is how long it takes the average worker to advance. This will depend significantly on how a company is structured. When benchmarking time to promotion against other businesses, look for similar organizational structures as well as size and industry. ADP’s data shows retention usually increases as employees become managers.

When the data changes — look deeper. Narrow the focus by location. division, department or employee group. Try a pulse survey. Talk to managers to find out what they are learning during check-ins. Then go back to your data and see if what you are hearing is consistent with what the data shows. If not, investigate further.

New graduates and entry-level workers change jobs more frequently than other employees

Surveys of Canadian workers by ADP Canada reveal an abundance of workplace-related issues that employees and their employers are working to resolve.

Changes caused by COVID-19 operating requirements are at the core of many of these items, which can clearly impact employee retention.

- Many Canadian workers believe there is a "proximity bias" — that is, in-person workers have inherent advantages over remote or hybrid workers.[8]
- One ADP survey revealed that many Canadian workers — especially those working remotely as a result of the COVID-19 pandemic — paid "COVID tax," which equates to the amount of additional hours they worked since the inception of the pandemic.[9]
- Nearly half (44%) of remote workers say they are logging more hours than in pre-pandemic times. That figure has doubled in the space of just a single year.[10]
- Equal pay and pay equity are major points of interest for Canadian working women, with their pretax earnings trailing men by 21 percent. The stakes are high and so is the level of passion to resolve the inequity. Half of Canadian workers between the ages of 18 and 24 surveyed said they would leave their organisation if they found that a colleague of equal standing, but different gender, received a higher level of compensation.[11]

When is retention a problem?

People come and go in organisations and some turnover is expected. It can, however, be difficult to discern what is normal turnover and when there is a problem.

A retention strategy should include an analysis of both why people leave and why people stay. They are different populations with different concerns. It is important to know how to keep people, who are looking to go, and how to do more of what inspires people to stay.

One of the first steps in creating a retention strategy is to understand the organisation's retention and turnover rates, then compare them to other similar employers through benchmarking. Turnover varies widely by industry, geography, the size of organisation and how it is structured, life stage of employees and the overall economy.

Understanding these factors and how they apply to your organisation gives insight into both what is going well and where there may be potential problems.

Calculating and understanding who leaves

To calculate your overall turnover rate, divide the number of separations by the number of employees for that time period. For example, if the company has 500 employees and 20 people left that month, then the turnover rate for that month is 20/500 or .04. That is a 4 percent turnover rate.

The time period you use also matters. Monthly turnover rates give a snapshot and show seasonal variations over the year. Annual turnover rates are cumulative and reflect the total number of separations for the year. So, if the number of employees is fairly stable and the monthly turnover rate is 5 percent, the annual turnover will be approximately 12 times the monthly rate, or an annual turnover rate of about 60 percent.

Since involuntary turnover is generally the turnover required by the organisation, voluntary turnover is what most companies are most concerned about. The ADP Research Institute® whitepaper — *Revelations from Workforce Turnover: A Closer Look Through Predictive Analytics*, explains that 60 to 70 percent of all employee turnover is voluntary.[12]

To calculate voluntary turnover rates, divide voluntary separations by the total number of employees for that time period. Addressing voluntary turnover is where a retention strategy can make a major difference to help reduce attrition.

Calculating and understanding who stays

Retention rates are usually the inverse of the turnover rate. If turnover is 6 percent for June, the *retention* rate would generally be 94 percent for that same time period.

Some employers calculate annual retention rates based upon the number of employees who were employed for the entire year. However, this method does not account for any employees who are hired and then leave in the same year.

Yet, there can be a significant turnover within the first year on the job as both employees and employers decide if the employment relationship is working out. If many employees are leaving in the first year, this can reveal issues with recruiting, onboarding or training. Furthermore, losing employees after such a short time can be expensive. Thus, excluding short-term employees can skew the results and hide retention issues.

To understand how long employees stay at an organisation, a more accurate approach is to look at length of service, or employee tenure, by determining the number of employees who have been employed for each year of service. Tenure provides more insight into which employees stay than a simple retention calculation. Tenure is also useful to understand where the organisation's institutional knowledge resides, where to expect retirements, and how to approach recruiting, training and succession planning.

Benchmarking turnover rates by industry and location

Turnover rates can vary significantly by industry. ADP data shows that Hospitality, Retail and Resources & Construction have the highest monthly turnover rates — 2.5 percent or higher. Education & Health, Finance, Manufacturing, Information and Professional Services have the lowest monthly turnover — 2.3 percent or lower.[13]

Interestingly, there is almost no difference in turnover rates based upon gender or marital status. Life-stage or age are more significant. Younger and entry-level workers have higher turnover rates as they explore careers. Employees under 25 years of age have the highest monthly turnover rate — 4.1 percent. This declines as people settle into careers. Employees, ages 26-35, have an average monthly turnover rate of 2.8 percent. Once people exceed the age of 35, their turnover rate drops to 2 percent or lower.[14]

The size of an organisation is also significant when it comes to measuring turnover. At smaller companies, turnover can vary widely and some employers have almost none. At other companies, monthly turnover can be 5 percent. As an organisation grows, turnover tends to decline, partly due to scale. The impact of one person leaving a group of 10 employees is much greater than one person leaving an organizational structure of 500 employees.

Benchmarks are part of the analysis

When a company's overall and voluntary turnover rates are about the same as similar employers, it can mean that turnover is about right or many organisations of that size and industry are having similar issues. Benchmarks are just the start of the analysis. Averages can hide problem areas, particularly within larger groups.

To gain deeper insight into what is happening calculate the overall and voluntary turnover rates by location, department, type of job, or other logical grouping such as level of management. If there is high turnover, either voluntary or involuntary, in any specific areas, it can be useful to look at turnover rates by manager or other demographics to see if patterns emerge. (If it appears there may be potential discrimination or other compliance concerns, it is essential to consult with legal counsel.)

Canadian workes have strong feelings about their industry and current job

According to an ADP Workplace Insights Survey, 15 percent of employed Canadians surveyed have transitioned to a new position, a new industry or left the workplace altogether during the worldwide health pandemic. When looking at only remote workers, that number grew to 22 percent.[15]

When asked why they decided to change their career path, 33 percent of respondents cited changes in their personal lives, 29 percent indicated the need to limit workload and stress, and 28 percent stated a desire for more flexible work hours. These top three reasons clearly underscore that work-life balance is playing a significant role in their decision to make a change.[16]

As for who is making the jump to new industry opportunities, young Canadians (ages 18-34) were the most likely to report transitioning to a new industry (13 percent) compared to only three percent of workers in the 35-54 age group. [17]

Average Monthly Turnover Rate by Life-Stage/Age

4.1% under 25

2.8% ages 26-35

4.1% over 35

Reasons for voluntary turnover

The most common reasons people voluntarily leave their job are — personal reasons, the opportunity to take another job and transfer or relocation.

Personal reasons: This is a catch-all category that can include many possible circumstances such as moving with a partner, going back to school, making a career change, not getting along with a manager, wanting more money, or deciding to travel the world. The "personal reasons" category is most difficult to address from a policy or process level because each case is different and each solution — if there is one — will be customized to the audience.

Moreover, "personal reasons" can be a cover for deeper problems within the organisation when voluntary turnover rates are increasing in a particular department or employee population or overall. Yet, even while this category is broad, it is still helpful to know what percentage of people leave for personal reasons so that actual causes can be investigated further.

Another job: In some instances, separation records indicate when an employee is leaving voluntarily for a different position. These separations can also be included in the personal reasons category.

Transfer/relocation: Again, there is some crossover with "another job" and "personal reasons." This category typically applies to someone who has already accepted a new position and is planning on moving away from the current employer.

Here is a comparison of reasons employees age 25 or under and age 55 and over leave.[18]

Reason for Turnover (Age 25 or less, top 6)[19]	Percent
Personal	18.1%
Terminate/Fired	13.7%
Voluntary / Abandonment /Another Job	9.6%
Seasonal Termination / End of Contract	8.5%
Transfer / Relocation	8.1%
Low Performance / Unsatisfactory Performance	7.2%

Reason for Turnover (Age 55+, top 6) [19]	Percent
Layoff / Retrenchment / Downsize, etc.	13.5%
Personal	11.4%
Retirement	10.8%
Terminate / Fired	9.4%
Transfer / Relocation	7.5%
Low Performance / Unsatisfactory Performance	7.0%

In both age categories, the most common reasons an employee voluntarily leaves a job is for "personal reasons." But workers, age 25 and under are more likely to leave for another position, while workers 55 and older are more likely to retire.

For deeper insights, ADP also created a data model based on a sample of 1,900 employers (of 1,000+ employees) and about 7 million employee records. The statistical analysis showed the most common factors that influence an employee's decision to leave are pay (and overtime), career opportunities, and time / distance commuting. *Revelations from Workforce Turnover: A Closer Look Through Predictive Analytics* offers an in-depth look at the model and findings.[19] (*See chart on page 12)*

In Canada, work-life balance continues to be the prevailing issue that weighs heavily on voluntary turnover decisions.

When asked to compare their current priorities to those before the pandemic, 31 percent of Canadian workers surveyed say that a job that respects their work-life balance is more important to them now, compared to only 20 percent who felt that their salary was a more important consideration.[20]

Determining causes of turnover

Turnover rates, tenure and data are essential clues to understanding patterns and where problems may exist. But they rarely show what is actually causing a problem.

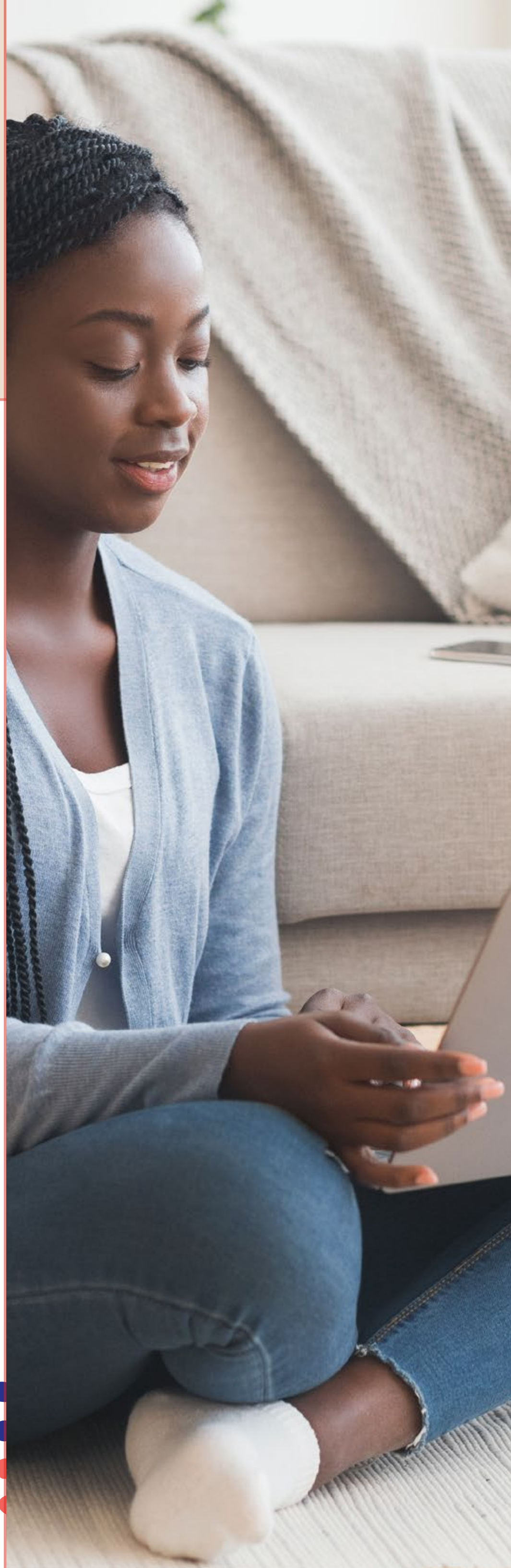
Causation usually requires further investigation. It would be great to have a data scientist collect models to test different factors, or a business anthropologist to ask better questions, or a behavioural economist to provide insights into why people are making the decision to leave. While some companies have those capabilities, most organisations have to figure things out on their own.

Here are some suggestions on where to start to understand what is causing employee turnover:

1. **Ask people why they left.** What information is available through exit surveys? Was there a follow-up request for information a few months after someone left? Sometimes, people's perspectives change after a transition and they have clearer insights into what was going on with themselves and the company that caused them to leave.

2. **Ask people why they came.** Companies often focus on why people leave, but it is also essential to understand why new employees chose a particular employer. During onboarding, ask what made people decide to take the job. Survey key issues such as compensation, benefits, perks, opportunities for growth and whether the employees were referred by someone who works there. Open-ended questions, such as "what are you most excited about?" and "what was the biggest factor in accepting the offer?" can also provide valuable insight into how and why employees choose a particular employer.

3. **Ask people why they stay.** This will change over time and it will vary widely by person. So, the responses will not be standardised data to track. Instead, responses will give "clues" about what is working and why. Variations in answers as to why people come, go and stay can also provide insight into what is happening across a company.



4. **Find out what external people think about your organisation.** Check online reviews, articles and comments on social media. Unhappy people often complain. While it is important to take negative comments with a grain of salt, it is also good to ask: "What if it's true?" Then find out by sending pulse surveys or doing interviews with the groups having turnover issues.

5. **Find out what's going on with competitors.** When people leave, they usually go to work somewhere else. Understand who is hiring former employees and why they have chosen to go there. Check out online reviews and comments. There is also competitive intelligence available that will enable you to see how your competitors differ from you in compensation, time to promotion and even reasons for turnover.

When you have a clearer picture of what is going on, assess the reliability of what you have learned and what you can do about it.

For example, if it appears that turnover is related to a new leader coming into a division, look at past turnover rates in specific divisions for the first year after a new leader was hired. Turnover may be higher for a short while, then settle down after people use the change as an opportunity to find a different position, or the leader brings in new people for his or her team. This would be a situation where it is usually best to wait and see what happens before you act.

If people are leaving because the company is growing rapidly and there are too many changes for employees to adapt, more gradual implementation of new tools or processes or providing additional training may help. Each cause would usually require a custom solution. Some issues may be temporary and others may not be possible to fix.

The transformation of the Canadian workplace over the past several years rapidly gained traction during the global health emergency, and there are no strategic indicators that trends, built mainly around quality-of-life issues that can affect employee turnover, will recede any time soon.

While over half (55%) of workplace survey respondents believe their employers should allow them to choose their preferred work location, the flexibility of remote and hybrid work environments have come with a price.[21]

Four-in-10 workers surveyed across all age groups have noted an increase in stress levels as a result of migrating away from the traditional office model.[22] This can influence turnover rates, as some workers seek a less stressful job or decide to leave the workplace altogether.

Canadian employers are responding to this workplace challenge, as nearly half (48%) of Millennial and Generation X workers surveyed report that their employers have introduced mental health and wellness support to alleviate the adverse impacts of stress on the job — and the potential to drive up voluntary turnover rates.[23]

After investigating potential causes of turnover, assess the issue and determine what, if anything, can be done to address it. Here are some useful questions to ask ...

- What are the potential causes of turnover?
- What information supports each potential cause?
- What information contradicts each potential cause?
- As you consider supporting and contradictory information, what is the most likely cause of turnover?
- Do you need more information to draw a conclusion?
- How can you obtain that information?
- Are the causes within the control of an organisation?
- Who has the most influence over the problem or cause — the employee, employer or both?
- Is the problem something that an organisation can realistically improve?
- Does addressing the issue apply to an employer's overall business strategy?
- What resources and approvals are needed to make changes?

Addressing retention issues

Before determining solutions or initiatives regarding turnover or retention issues, it is important to remember that retention is a symptom, not a cause.

Retention, like engagement, reflects how people are responding to their work environment, as well as their feelings about the company and their individual role within it. Retention is also influenced by outside factors, such as the larger economy and the local job market. Understanding the total picture is essential.

What has changed lately?

Look at changes to the market, the organisation and what is affecting employees in general.

The market: What is happening to the overall and local economy? Did a competitor come or go? Are there regular seasonal cycles for your industry? Have there been changes in laws and regulations that affect your organisation? Have there been natural disasters that affected the housing market? Is the cost of living rising and causing people to leave the area, change careers, or need more money to stay?

The organisation: Has there been a change in leadership? Has there been a reorganization? Is your company navigating stress or challenges from competitors, or disruptions from power struggles internally? Have there been significant internal changes in policy or strategy? Is it the end or the beginning of the fiscal year? Are there particular locations, divisions or management spheres of influence where either turnover or tenure is changing or increasing? Are there opportunities for development or promotion?

The employee: Are there significant groups of employees going through life changes such as caring for others or retiring? Are problems related to individual needs and choices?

Can an employer solve every turnover problem?

Some retention problems cannot be solved. For example, if an organisation just went through a merger, there usually will be higher turnover, as people get used to the new leadership, changes to process and other approaches to managing the organisation going forward.

There may be specific interventions to retain key people, but higher overall turnover is natural and expected. In this situation, it can he harder to see what is happening with your turnover rates because there will also be an influx of new employees that can change the calculations.

When an employer only has limited influence over turnover issues, focus on what can and should be changed.

Does the change align with your business strategy?

Sometimes a potential solution is apparent, such as raising pay in a particular job or grade, but you need to keep in mind that your organisation also has other priorities, such as capital investments that can carry a significant cost. In such circumstances, it is important to know what resources are needed and how any initiative fits with an employer's overall business strategy. Also consider the potential consequences of not making the change and how that could affect the company.

There may be creative solutions, such as offering more time off or a one-time bonus to address a problem in the short term. The important thing is to look at the wants, needs, limitations and priorities of key stakeholders so that any plan with which you move forward is realistic, doable and makes sense when it comes to the big picture.

The key questions before working out an action plan are:

1. What has changed lately?
2. Is the problem something we can and should address?

Getting Creative

Not all retention plans require a lot of resources. At the individual level, sometimes just letting someone know they are needed, appreciated and understood can make a big difference.

If morale seems low and turnover is rising, consider whether a different approach to performance management might help. Perhaps offer more flexible schedules or remote work. Test potential solutions with a specific group and track results to help determine whether it will work, allowing adjustments to be made before rolling it out across the enterprise.

Addressing what makes people stay

It can be easy to focus on turnover, but there is usually very little an organisation can do once people have left. Retention is about creating a work environment where people want to stay.

Part of any analysis and investigation should always include an assessment of what an employer is doing well, what is working and what people want more of. Can something that is already working be improved? Is there something else that can be added, shifted or changed to make it even better? Are there managers who are especially effective? What groups or departments are performing well — and why? What benefits and work schedules do people use most — and why?

Some of the reasons that Canadian workers are staying in their jobs and with their current employers

Despite working longer hours, 42 percent of Canadian remote workers are feeling more productive and over a third (37%) have noticed an increase in the quality of their work. In addition, over half (53%) of employed Canadians surveyed report that their employer enables them to work a modified schedule when they must fulfill personal responsibilities during work hours.[24]

Based upon data from ADP Workplace Surveys, it is apparent that many employers in Canada are actively engaged in meeting the expectations of employees concerning work-life balance and related issues.

Work-life balance is a recruitment and retention driver for employers in Canada

According to workplace survey data, about a third (31%) of working Canadians stated that a job that respects their work-life balance is more important to them compared to only 20 percent who felt salary was more important.[25]

Employee prioritization of work-life balance also appears to be influencing how companies recruit new talent in Canada with approximately one in five (19%) of employed Canadians being approached by a competing employer in the past six months showcasing a work-life balance environment. Further, when asked about their next work-life move, 63 percent of Canadians report that they have already started to think about it.[26]

Better data and better questions are the foundation to getting your talent strategy right.

Conclusion

An effective retention strategy starts with understanding data on both why people leave and what makes them stay, and continues with tracking data to uncover trends, new issues, what is working well and where there are opportunities for change.

Use valid data to form a clear picture of problems and issues, then investigate causes and context to arrive at a solid solution. Understand that some issues can be effectively identified, addressed and resolved, while others may not offer a successful path to a resolution.

Moreover, each organisation will face different concerns and problems. Some will require custom approaches. All solutions should consider an employer's business strategy, market conditions and what it will take to cost-effectively retain the talent a business needs to succeed.

Work and life are not independent entities fighting for a 50/50 balance. To attract and retain employees, companies need to acknowledge work and life are intertwined with one affecting the other.

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