The Great Retention

Prepared by EZRA | February 2022

Content

Executive summary

It is impossible to talk about retention in 2022 without referencing the impact that the COVID-19 pandemic has had on both employers and employees.

The past couple of years have completely changed the way that people live and work, and encouraged a lot of people to look at their priorities and what they want from both their personal and professional lives.

The pandemic saw record numbers of people voluntarily resigning from their jobs, across all industries. HR understands that it is happening, but the overwhelming numbers have left them scrambling to find a solution.

Before the pandemic hit, there was a disconnect in understanding what people really value when it comes to work. There was a common misconception that performance management and pay/incentives were of the utmost importance, but statistics show that employees value workplace culture, health and wellbeing, and flexible working more. There was also a desire for better work-life balance, career advancement and development, having autonomy and feeling valued.

The surveys show that these desires have not particularly changed now that the pandemic is further along. Workloads have increased, and the lines between personal and professional lives have blurred.

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Employees are feeling less engaged with their organizations due to feeling underappreciated and undervalued. There is a desire to continue having access to remote and flexible working options, but with a better level of support."

The best way to retain your employees is to start your retention strategy early. However what works for other organizations may not work for your organization and your staff; in order to find out what is important to them and what you should focus on, you need to encourage feedback. There are various ways to do this, but the most important thing is that you listen carefully to it, and actually act upon it.

Although your retention strategy should focus on the feedback you receive, there are some issues that are often raised in surveys that we can recommend focusing on. Improving your communication and supporting wellbeing is always important; you may be surprised to find out that your current efforts are not enough. Being flexible with remote working and hours will help many of your employees, but make sure to establish boundaries between personal and professional time. It's also important to encourage and support learning for your employees, be this in the form of training, mentorship or one-to-one coaching.

Whatever your strategy looks like, it needs to be shaped and directed by your employees' needs; understanding that what used to work might not anymore is an important first step. With patience, care, and hard work, you can turn the Great Resignation into the Great Retention for your organization.

Introduction

The COVID-19 pandemic of 2020 brought with it a lot of uncertainty across many areas of our lives. People were having to balance their fears of the virus with their desire to connect with friends and family, navigating new methods of doing so in order to alleviate feelings of isolation and loneliness.

It wasn't just the disruption to personal lives that left people struggling however, as the pandemic saw many businesses either having to move their services online, or close their doors entirely, even if only temporarily. For many employees, this meant finding ways to work productively from home or enduring a period of furlough, which itself meant lower wages and, in some cases, no guarantee of a job to return to.

This period of isolation and the threat to not just personal health, but the health and wellbeing of those we care about, has given many people the impetus to take a long hard look at their current way of life. Are we spending enough time with those we love? Are we spending enough time caring for our own physical and mental health? Are we happy with our homes, our work, how we spend our free time? More than half of the workforce surveyed stated that the pandemic caused them to re-evaluate their priorities (Mayer, 2022).

The Great Retention

No doubt you will have heard of 'the Great Resignation' or 'the Great Reshuffle', a movement that has become one of the biggest challenges faced by HR over the past year.

Prior to the pandemic, the number of voluntary job departures per month was dropping, and in April 2020 the 'quits rate' (the number of jobs quit that month as a percent of total employment) reached 1.4%, its lowest point in nine years as people desperately hung on to the jobs they had (Cleeland, 2020).

But this didn't last long. A UK professional women's network survey in June 2020 showed that 61% of women had started planning a complete career pivot (Wiest, 2020). In November, surveys in the US were saying that roughly one in four employees were planning to leave their organization once the pandemic was over, increasing to one in three for Millennials and those with children doing remote learning (Eagle Hill Consulting, 2020b). By March 2021, the overall number had risen to over 40% (Microsoft, 2021).

By September 2021, resigning had changed from being just a desire to a reality for many. According to the U.S. Bureau of Labor Statistics, the number of people leaving their jobs hit a historic high of 4.4 million (a quits rate of 3.0%). Although the government sector only saw a quits rate of 1.0% and private industry 3.4%, leisure and hospitality saw a rate of 6.4%; within that, accommodation and food services saw a quits rate of 6.6% (U.S. Bureau of Labor Statistics, 2021).

Of course, HR knows that this is happening – 60% of HR professionals polled in November 2021 cited recruiting and retaining employees as one of their top challenges, while 46% of respondents ranked 'losing talent over the next 12 months' as something they were extremely concerned about (Mayer, 2022, see figure 1).

It would be 'easy' to attempt to write the movement off as a side effect of the pandemic, and assume that everything will return to normal over time. Given the huge impact that the pandemic has had on all of our lives however, this would be foolishly naïve. Rather, what needs to happen now is for HR and the C-suite to understand the exact reasons behind our current exodus in order to combat it.

Understanding what employees want and where their issues lie, especially in comparison to how people felt before the pandemic, is crucial to implementing a successful retention strategy that benefits all your staff – not just those who already have one foot out of the door.

Challenges ahead

When asked, HR leaders say these are among the top hurdles facing their organizations today
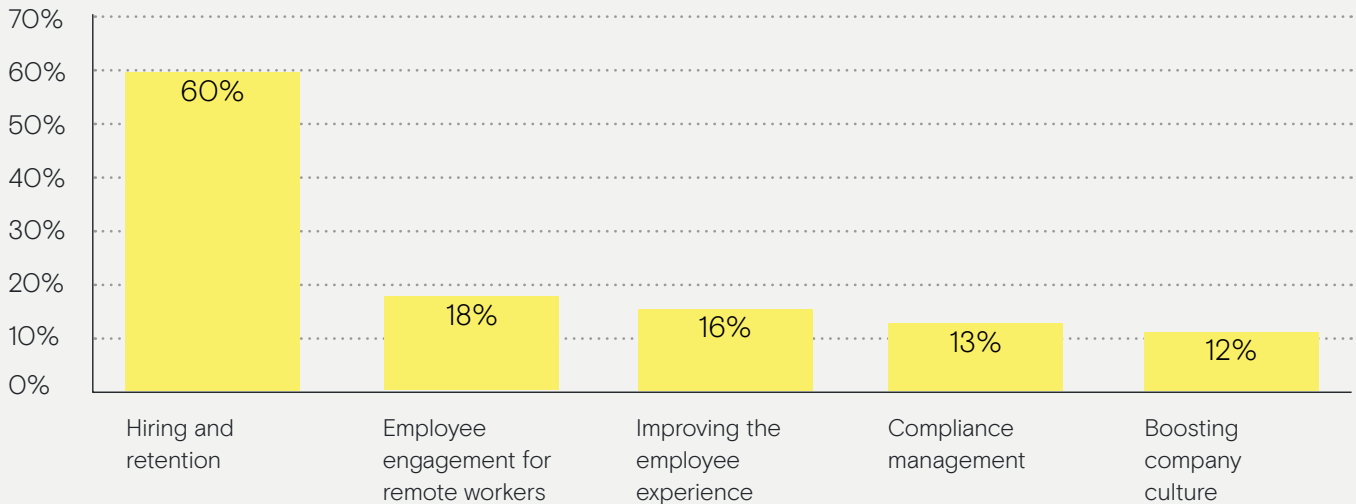
[Figure 1] Human Resource Executive® "What Keeps HR Up at Night" survey

What's behind the resignations?

We can see that the Great Resignation is real; record numbers of people are voluntarily leaving their jobs, reskilling, changing careers or priorities.

There are many different reasons why someone might leave their place of work, but it may not always be for the ones you think. For many, the pandemic won't be the only reason; rather, it is a catalyst that has exacerbated or brought to the fore specific pre-existing issues.

What did people want pre-pandemic?

There has been a great disparity between what leaders believed was most important to their employees (and therefore most likely to keep them), and what employees actually want, even before the COVID-19 pandemic. CEO surveys from 2016 showed that, although both felt that the leadership pipeline and employees' skills were a priority, they differed widely when it came to workplace culture and behavior, health and wellbeing, and performance management, as well as pay and incentives – the first two sets being a priority to young leaders, the latter two to today's leaders (PwC, 2016, p.3).

Elsewhere, a pre-pandemic 2020 survey showed that 76% of Millennials would take a pay cut to work for a company that offered flexible working hours, while 40% of respondents felt that flexibility was the biggest benefit of remote working – an option that, at the time, was only offered globally by 44% of companies (Guidant Global, 2020, p.4).

This desire for flexibility was also connected to work stress and how it affects an employee's work-life balance. Being able to spend time with family, work on personal wellbeing, or enjoy hobbies is difficult when

your workplace is rigid, schedules you at challenging times, or contacts you outside of working hours. According to a UK survey, 41% of 25-34 year-olds felt an expectation from their employer to work outside normal hours, while an average of 43% over all age groups read or sent work-related emails outside of office hours (YouGov, 2017).

Much of it comes down to job satisfaction and engagement, and how it can be achieved. We've looked elsewhere at some of the things that can affect this (EZRA, 2021a), and found that some of the biggest factors were career advancement and development, having autonomy, and being given learning opportunities.

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Although 89% of managers believed that employees are most motivated to stay or go by money, in fact the number was only 12% to 88% of employees were motivated by other factors."

Not only do these factors encourage productivity and motivation, but an employee who feels empowered, trusted, and valued is going to be more engaged in their workplace and less likely to look for employment elsewhere.

It's important to note what does not appear at the top of these lists every time: money. As stated further up, current leaders ranked pay and incentives as a higher priority than future leaders did. This is in fact quite a big sticking point; surveys and research has shown that although 89% of managers believed that employees are most motivated to stay or go by money, in fact the number was only 12% – 88% of employees were motivated by other factors (Branham, 2012, pp. 3-4). This is not to say that the opportunity for higher pay doesn't factor in, just that it's not necessarily the biggest – or only – impact upon peoples' decisions.

What do people want now?

We've seen a number of reasons why people were leaving their jobs pre-pandemic: lack of flexible and remote working options, blurred work-life balance lines, lack of development and autonomy, and not feeling valued by their organization being just a few. How does this compare with reasons for leaving now that a year or two has passed since the pandemic began?

It comes as no surprise that feelings of burnout have increased during this time. The way we live and work was fundamentally changed through an outside force, and caused stress levels to rise the longer it went on during the first year or so; 45% of people surveyed in April 2020 reported burnout, leaping to 58% in August of the same year (Eagle Hill Consulting, 2020a). Of that 58%, 47% attributed it to their workload, while 39% said it was their work-life balance.

Microsoft found that between February 2020 and February 2021, time spent in Teams meetings had risen by 148%, while the number of emails sent to commercial and education Microsoft 365 users had risen by 40.6 billion. They also found that nearly 20% of respondents felt their employer didn't care about their work-life balance, while 54% felt overworked and
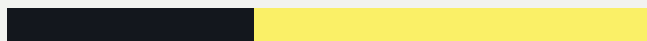
20%

felt their employer didn't care about their work-life balance

54%

felt overworked

39%

felt exhausted

a further 39% felt exhausted – high productivity rates were masking a shattered and fatigued workforce (Microsoft 2021, pp. 8-9). These two factors are currently hard to disentangle.

A survey by Achievers Workforce Institute discovered that more than half of employees working from home worried that their manager would doubt their productivity; as a result, 44% were starting earlier or working later, while 37% were skipping lunch breaks, increasing their workload while decreasing their work-life balance (Achievers, 2021, p.3).

Employees feeling engaged is also a factor when it comes to current retention rates. Although engagement is crucial to retention, only one in five employees described themselves as very engaged, citing feeling underappreciated and lacking in recognition from their manager or organization. Those who felt their work is never recognized or valued were more likely to look for a new job in 2021 (Achievers, 2021, pp. 8-10).

Remote working and flexibility are still seen as important contributors to employees' satisfaction. Although 67% of respondents to the Microsoft survey wanted more in-person time with their colleagues, 73% also wanted the flexible/remote options to continue, meaning organizations need to look at

hybrid working styles. Despite the time spent working from home however, 42% of employees lack office essentials, with 10% lacking adequate internet connection and less than half saying their employers help them with remote work expenses (Microsoft, 2021, pp. 4-5).

What we can see then is that the reasons for voluntarily resigning now are overall not so different to those from before the COVID-19 pandemic.

Flexible and remote working feature in both, although now with a twist of needing more support (since working from home was a necessity rather than a choice for many), and with a view to a more hybrid setup. Burnout and work-life balance issues have both increased; working from home has meant being constantly connected, with a fear of looking unproductive resulting in longer work hours. And engagement is still a major problem, with dissatisfaction as a result of feeling underappreciated and undervalued.
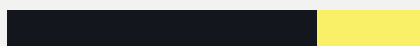
The truth is that the COVID-19 pandemic has brought some new challenges, but has also exacerbated issues that were already present, to the point where they have boiled over into the Great Resignation we're facing today.

66%

of leaders say their company is considering redesigning office space for hybrid work

73%

of employees want flexible remote work options to stay

67%

of employees want more in-person work or collaboration post-pandemic

Get started on your retention strategy

The previous section has gone through a number of different reasons why someone might be resigning from their job; however, it will differ from person to person, and may not be reflective of all the members of your organization.

As with any good strategy, your first step should be to work out what your current situation is, and why exactly it is happening. You can check your recent resignations to see if there are any patterns: for example, if a large number of people are leaving all from one team, or seem to be trying to get away from a particular project.

But if you are only acting to retain people when they are leaving, then it is already too late; the best time to start your retention strategy is the very first day someone joins your organization. The second-best time is now.

Gather feedback – and act on it

The only real way to know how to retain your employees is to talk to them about what they want and need from their job and workplace.

You may worry that asking for feedback would feel like a chore for your employees, but many of them actually want to provide it: the most popular form of feedback is surveys, and 78% are eager to fill them in. 63% say they always or usually respond in order to share feedback with management, 63% because they want their voice to be heard, and 52% in order to drive positive change in their company (Explorance, 2021, p.14, p.10).

With that said feedback is pointless if you're not going to do anything with it, and there is a feeling among employees that this is often the case.

45% of employees don't believe that their feedback leads to meaningful change, including 40% of executives. A third of the people seeking new employment also feel this way.

And they may well be right: 56% of executives say they never see the results from surveys, and 67% say they only see certain results (Explorance, 2021, p.5). Affecting change is difficult when you aren't given all the information to work with.

There are good and bad ways to gather feedback though. If you can, use anonymous surveys or questionnaires for general feedback, and try to avoid using direct managers or those possibly providing references in the future as exit interviewers, so that in both cases people can feel more comfortable in speaking honestly (CIPD, 2021).

Alternatively, you can use an independent facilitator to run focus groups; not only may this again give your employees the freedom to speak their minds, but an organization who specializes in these activities will likely be able to provide direction with regards to the right questions to ask, and be trained to take particular note of diversity and inclusivity issues (Brown, 2018).

The next section has a few examples – they may not be exactly right for your situation, but they can give you some ideas of how to get things started. You'll also notice that many of them overlap; none of the categories exist in a vacuum, they all depend and affect each other.

Once you know where the potential problem areas lie, you can focus on fixing them.

Encourage open communication

Uncertainty has made communication over the past couple of years fraught, but it's important to be open and willing to listen to feedback. Try not to get frustrated with those having difficulties, and listen to their concerns with an open mind. They are likely facing unique issues that you are not; studies have shown that business leaders (in this case most likely Millennials or Gen X, male, and further along in their careers) are not struggling in the same way as many of their employees are, especially those from different demographics (Microsoft, 2021, pp. 6–7, see figure 2). What they need is to know that their problems and opinions are being listened to, and that they can get empathy from their managers and leaders when they need it.
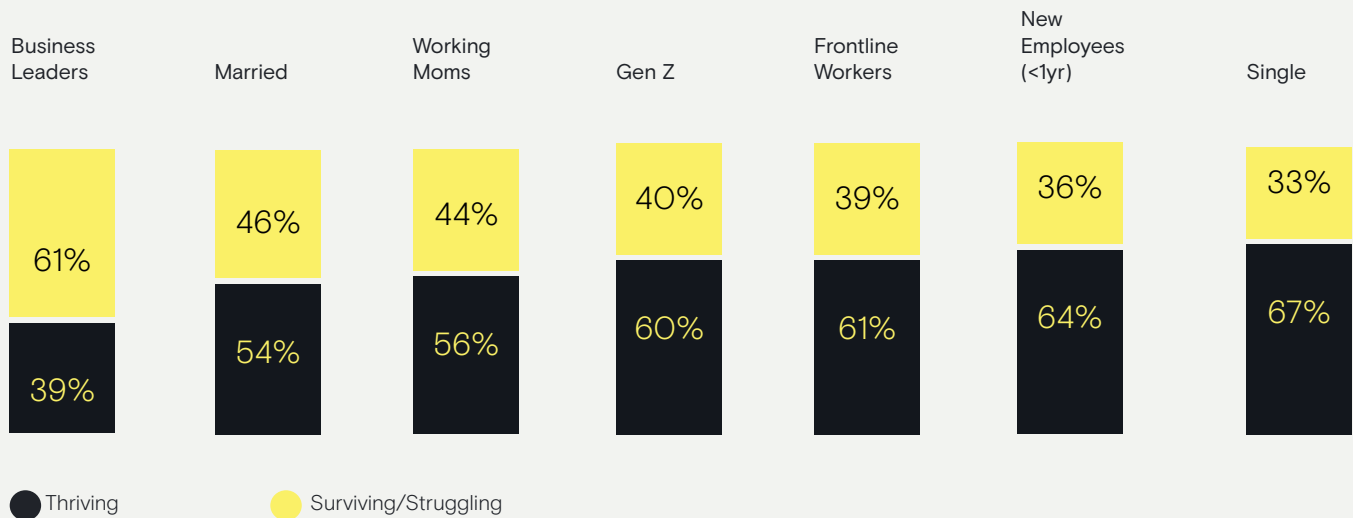
[Figure 2] How much different demographics are currently thriving/struggling, from Microsoft's Work Index 2021, p.7.

Introduce flexible working

Remote working is here to stay, but there are also benefits to spending time in the office. The best way to approach this is with individualized working conditions. You may feel that, for example, certain positions require certain amounts of in-person time, but it is best to talk to your employees to understand how they feel on the issue. Blanket rules can work to an extent, but there needs to be flexibility within them–and you should be willing to compromise, as this will show your employees that you care about their individual situations.

It's not just location that can be flexible–consider also how you can make your hours or time off work better for your employees. For certain companies or roles this may not be possible, but those with children or who act as carers, for example, will appreciate you making the effort to accommodate them.

Create a culture of learning

All of these strategies so far can help show your employees that you value them and the work that they do for your organization. Another way to do this is to provide them with opportunities to grow and learn. For new staff this might be training in the form or onboarding or orientation sessions. For new and existing staff, you might encourage mentorship schemes, and shadowing between departments.

Prioritise wellbeing

If you can achieve flexibility, then you are part of the way to achieving work-life balance for your employees. But flexibility brings with it some pitfalls that you need to be aware of.

Working from home during the pandemic has caused the lines to blur somewhat, so make sure to establish boundaries that work for your employees, such as not emailing outside of working hours.
Supporting your staff holistically, for example, by promoting or sponsoring mental health programs, providing digital detox opportunities, or by helping foster connections, can have a positive impact on their balance and their overall wellbeing. Don't be fooled into thinking that you've already achieved this: recent research found that 80% of executives said that their organization is supporting the physical and emotional health of their employees, a statement that only 46% of employees agreed with (IBM, 2021, p.3).

To really invest in your employees, you might also opt for more formalized learning and development opportunities such as training or coaching. Learning and development professionals are still focusing heavily on upskilling and reskilling, with resilience and adaptability, and technology skills and digital fluency being their most important skills (LinkedIn, 2021, pp. 25 & 35). Getting professional help with these difficult topics may be sensible.

Coaching in particular is a great way to support an employee's development. Whereas some training courses are group-based, having to use a broad brush to attempt to fulfil everyone's needs, coaching is a personalized and tailored learning experience, where each individual can focus on the topics that they most need or want, with help from a trained coach. The type of coaching EZRA provides, being completely online and in-app, also means that physical location or time of day is no barrier to an employee's growth.

Fostering a learning culture in your workplace is vital to retaining your top talent, as 94% of employees say they would stay at a company longer if it invests in their learning and development (LinkedIn, 2019, p.38). Coaching is the perfect way to achieve this, as the Adecco Group found recently when they worked with EZRA and saw a 14% improvement in their retention rates after coaching (EZRA, 2021c).

And they're not the only ones, with companies such as ConvergeOne using coaching to teach their leaders the best ways to encourage and support their teams; their Senior Director of Human Resource Operations, Allison McDaniel, states "We firmly believe that there is a strong link between a good leader and people staying" (Killander, 2021). Elsewhere, EZRA has seen an 11% improvement in promotion rates and a 14% improvement in retention rates between those who have been coached and those who haven't (EZRA, 2021b, p.24).

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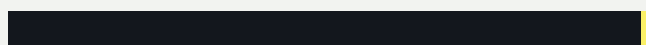
Allison McDaniel

ConvergeOne
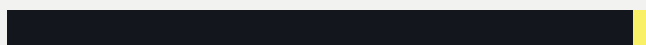Senior Director of Human Resource Operations

+14%

Retention rates after working with a coach at EZRA

99%

of participants leave their coaching program satisfied

98%

of participants would repeat the process if given the chance

Overall, coaching leaves employees feeling more confident, more productive, and more valued by their organization, so it's no wonder that 99% leave their coaching program satisfied, and a further 96% would repeat the process if given the chance (ICF, 2009, p.7).

These are just a handful of different methods and topics to focus on when designing your retention strategy, and each should become part of your company culture if you want to retain your staff from the moment they join. Keep in mind that there may be other factors that are specifically important to your employees, and take them into account during your strategy planning.

Don't bounce back, bounce forward. The world of work has fundamentally changed, and those who fall back into the old ways of working risk being left behind – not just in business, but by their employees.

Conclusion

The COVID-19 pandemic has had an undeniable impact on the workplace; not just in how people work, but in where they choose to work.

Although money is often cited as one of the main reasons people resigned or changed jobs before the pandemic hit, there were other factors that actually had more of a bearing. These mostly came down to wanting flexibility, a better work-life balance, career development and advancement, autonomy, and to feel valued.

What is interesting is that, although the numbers resigning during the COVID-19 pandemic skyrocketed, the reasons remained roughly the same, especially with regards to work-life balance and feeling engaged: two areas that have suffered greatly from the change in working situations.

When it comes to retention strategies, they shouldn't only be used when people are leaving, but are something you should have in mind from the start.

The format and structure of these strategies won't just vary between different organizations, but ideally should vary between your employees. There is no sense in implementing a strategy that focuses on certain factors if half your workforce isn't affected by them.

Rather, you need to encourage your staff to provide feedback on what matters most to them at work. This may be easier to do via an independent organization, or via anonymous surveys to help people speak their minds. Without this feedback, it is impossible to know what you're doing right, and what you could stand to improve. Most importantly, you need to use this feedback to guide and direct your retention attempts.

There are different ways you can work on your retention numbers, but they will depend on what the specific issues raised by your employees are. Some of the best ways however include focusing on communication issues and allowing flexibility in work location, methods, and hours. Establish boundaries, and promote holistic programs to support your employees' mental health. And support them when it comes to learning and development; encourage them to spend time with a trainer or coach who can provide them with one-to-one guidance, especially with more nebulous skills such as 'resilience' which are so important right now.

With all the changes happening in our personal and work lives over the past couple of years, there is no shame in admitting that we need to update or improve the way we run our organizations; the only shame is in not trying to do so when the opportunity and need arises.

Limitations of the Report

It should be noted that we are still in the early days of what some see as the post-pandemic period – and there are plenty of others who do not feel that we have reached that point yet. As a result, the numbers we have shown here might change over the next year or so. However, given that many of the recent motives for resigning are similar to those given pre-pandemic, we have no reason to assume that those trends will change anytime soon.

It is also the case that not everyone is honest in their exit interviews or when giving their reasons for leaving; there is little that we can do to identify these cases however, so have simply used the information available to us.

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