



# HR Edge

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*Understanding Why  
Employees Stay or  
Leave*





# Understanding Why Employees Stay or Leave

Employee retention is a top concern as we enter a post-pandemic world. As the pandemic progresses, high numbers of workers have left their jobs for better compensation, benefits and work environment factors, such as work-life balance and remote or hybrid arrangements. This reality has impacted employers, who struggle to attract and retain the talent they need.

If employers are experiencing high turnover, chances are they're experiencing high losses as well. Research suggests that it can cost as high as 50% or more of an employee's annual salary to replace a current employee. The costs of reviewing applications, processing candidates, conducting interviews, training and purchasing equipment for new hires aren't only monetary; they also cost time and productivity and can negatively impact company culture.

Most employers have retention strategies, but it's worth taking a step back to understand why employees stay—or leave. Ultimately, a deeper understanding of this can inform effective retention strategies. As employers develop and evolve their return-to-work plans, critical retention factors must be thoughtfully included to navigate the current talent shortage.

## Why Do Employees Stay?

Employers often focus on why employees leave the organization, but it's also essential to understand why employees stay. Then an organization can play to its strengths and reinforce the qualities or factors that employees like most about the workplace.

Factors that positively impact employee retention include:

- Competitive total rewards, including compensation and benefits
- Meaningful work
- Professional development opportunities
- Recognition and respect
- Trust in leadership and organization
- Workplace culture

## Why Do Employees Leave?

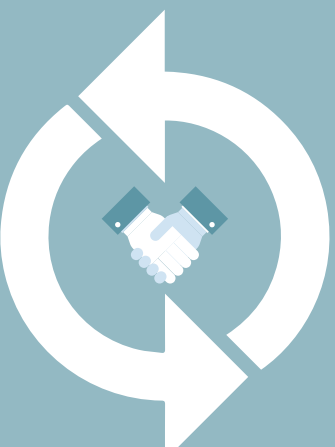
Many employers have been experiencing higher than usual employee turnover. Undoubtedly, the pandemic has worsened some workplace stressors or allowed employees to rethink their values and make significant life changes. Similar to why employees stay at an organization, several factors may impact an employee's decision to quit voluntarily, including:

- Poor compensation
- Poor benefits
- Lack of appreciation or recognition
- Lack of professional development opportunities
- Lack of workplace flexibility
- Poor company culture
- Relationship with management
- Burnout and personal well-being
- Work-related mental health issues

Understanding the primary cause(s) of employee turnover can help organizations make the necessary change(s) to engage and maintain their workforce amid many workers making pandemic-fueled career changes.

## Why Does Employee Retention Matter?

Nothing influences organizational success quite like the strength, knowledge and expertise of its employees. And in today's employment market, employers may find it challenging to hold on to their top talent. Retaining employees is vital because losing employees can result in many consequences for employers, including:

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- **Cost** to find and hire employees
  - **Disruption** as employees leave with expertise and institutional knowledge
  - **Time and resources** to hire and onboard employees
  - **Poor reputation** as more employees leave the organization

## What Can Employers Do?

A thoughtful and holistic employee retention strategy can play a critical role in attracting and retaining top talent and reducing unwanted turnover. To compete in the post-pandemic market, organizations should understand their organization's employment strengths, weaknesses and gaps. That's when organizations can develop practical and successful employee retention strategies.

Many human resources (HR) strategies or ventures are ongoing efforts—and employee retention is no different. There's no one-time fix for employee turnover, as the workforce will continually change. However, you can pair a solid retention plan with ongoing evaluation to continuously optimize tactics and strategies to attract and keep more employees.