

# The Big Book of People Analytics: Turnover and Retention

**DIAGNOSING TURNOVER  
PROBLEMS**

**CREATING A DATA-DRIVEN  
RETENTION PLAN**

**GETTING STARTED WITH ANALYTICS**

**UNDERSTANDING WHAT MATTERS TO  
YOUR EMPLOYEES**



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# Turnover: what is it, and why does it matter?

**By definition, employee turnover is the proportion of employees who leave an organization over a set period of time. It's also referred to as churn or attrition.**

As an HR professional, you're already very familiar with exactly what employee turnover is. You might also define it as your greatest challenge, your most expensive mistake, or the perennial thorn in your side.

No matter what you call it, employee turnover is the bane of HR professionals everywhere. It's expensive, disruptive, and worst of all, it's inevitable. It affects nearly every aspect of HR—talent acquisition, retention, corporate culture, employee morale, budgeting, diversity, and perhaps even your sanity at times.

The ability to reduce turnover and improve retention are the most common benchmarks for a “successful” HR team... especially when those benchmarks are being dictated by people outside of HR—the ones who don't fully understand how difficult solving turnover really is. For years, reducing turnover and improving retention have depended on the skilled guesswork and gut-feeling of HR professionals. There is rarely a one-size-fits-all solution to turnover, and attempting to fulfill the needs of a diverse employee population has left HR departments scrambling for extra budget, more time, and better answers amidst the stress and confusion.



# Retention: what is it, and why does it matter?

You're already aware that your best employees might be one generous offer away from leaving. But even with that awareness, these numbers can be jarring. Most industries are currently operating within an employee's job market, meaning there's almost always going to be a company that is willing to pay them more and provide them with better rewards, or maybe even be able to offer a more promising career path.

To be successful in acquiring and retaining your best talent, you need to learn to be strategic. Knowing your turnover rate does very little to support strategic business plans. To achieve true insight into your workforce, HR leaders need to take a deeper analysis of what is actually causing turnover. Rather than scrambling to fight the symptoms of turnover, modern HR leaders are using data to identify and address the root cause.

Today, with people analytics and HR leaders' understanding of human capital dynamics, people leaders are uniquely positioned to help ensure their workforce is aligned with the needs, goals, and budget of their organization.



**35%**  
of employees have changed jobs within the last three years



**51%**  
of employees say they are actively looking for a new job or watching for openings



**52%**  
of exiting employees say they could have been prevented from leaving

# The true cost of turnover

**A study by SHRM found that replacing a salaried employee typically costs between 60% and 90% of the employee's annual salary.**

**Other studies suggest this number is even higher.**

Employee turnover is often seen as HR's most important challenge because of the huge costs associated with it. Losing a good employee can cost a lot in recruiting, onboarding, overtime hours, and lost revenue. Solving a critical turnover problem is one of the most impactful ways HR leaders can support their organizations.

It's important to remember that the true cost of employee turnover can't be seen strictly in financial statements. Other unseen costs that affect your bottom line include decreased productivity, reduction in employee morale and engagement, the loss of organizational knowledge when a key employee leaves, and increased workload and burnout for the employees who need to pick up the slack while you recruit and train a new employee.

**How much does turnover cost your organization?  
The cost of replacing management-level employees is higher than you may think.**

[Calculate the Cost](#)





# How does turnover impact your organization's bottom line?

By Stela Lupushor, Founder & CEO of Reframe.Work Inc.

What is your turnover rate? Does it even matter? Attrition is a typical HR measurement that you find on many scorecards. It has been around for a long time and is tried and tested, so most organizations measure it. You can benchmark yourself based on past attrition rates by checking to see if the number has gone up or down since the past quarter, which can be a good indicator of a problem if your rate has unexpectedly gone up. However, your turnover rate falls short when it comes to articulating the impact on business outcomes.

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Changing the question from “What is our turnover rate?” to “What is the cost of our turnover?” makes it real and tangible to the business leader.

It costs money to replace your people. Every aspect of losing a good employee and hiring another has a price tag: recruiting, hiring, onboarding, developing talent, and bringing them up to the same level of productivity as the previous employee all have costs. The time lost to recruiting and reduction in productivity can cost months' worth of work. In some industries, you may even be losing revenue if your best sales person takes clients with them. It costs your organization's brand image and employer reputation if people who left had a bad experience and share this on platforms like Glassdoor and LinkedIn.

The true cost of turnover can't be analyzed simply by understanding your attrition rate and whether or not it has increased or decreased. There are many reasons for an organization's attrition rate to fluctuate, and not all of them are negative. **Focusing on the bigger picture—improved workforce planning—is a far more meaningful strategy than trying to reduce attrition rate without taking the time to understand the why.**

# Why do people leave?

Not every cause of turnover is a bad sign for your company. There are many reasons why people choose to leave that are organic, or even positive. People move. Your more senior employees eventually reach retirement age. Interns return to school. Seasonal staff are meant to be temporary. Employees may want to pivot their career paths in ways that you can't facilitate. Even involuntary turnover can be a sign that you are growing in a different direction or need a more skilled workforce to improve your service offerings.

However, when we typically think about solving retention, we draw our attention to the employees we didn't want to leave. The ones we believe we could have saved. So, why do those people leave? Without HR data, you are left guessing, sorting through exit interviews, and attempting to read minds.

Some HR leaders are quick to chalk up voluntary exits as "poor cultural fit." However, if you lost an excellent employee, it may be time to ask what you could do differently to make a more diverse employee pool feel welcome. Unexpectedly losing a group of high-performing employees in a short period of time can signify that your employee engagement and retention strategies aren't working. Repeated involuntary turnover within the same roles can indicate that your talent acquisition strategies might be at fault.

Career pathing has become a significant part of employee retention in recent years, particularly as the millennial generation becomes the majority of the active workforce. More workers than ever are identifying the opportunity to excel and grow their careers as being more important than compensation.

Of course, people do leave because they can be paid more elsewhere. If you haven't conducted a salary benchmark project in a while, it is well worth looking into industry averages. But more often than not, people leave because they feel that compensation practices have been unfair to them—consider a young employee who has risen quickly and makes a significant impact on the organization, but is still being paid less than more senior employees. In other cases, the issue may be race or gender pay disparity, and the organization hasn't yet created a plan to handle this.

To understand why people leave your organization, you're going to have to get personal. We can hypothesize the reasons, pass judgement on individuals who we feel wronged us, and create blanket strategies that attempt to satisfy an entire workforce of multi-generational workers. But the data doesn't lie. Let's dig deeper.

**In a recent turnover study, Paycor surveyed business leaders and found a disconnect between what executives believe makes employees quit and what employees actually say are their reasons for leaving.**

Paycor delivers modern, intuitive recruiting, HR and payroll solutions that help HR professionals make a real difference in their organization.

According to C-suite executives and HR leaders, the top three reasons employees leave are:

1. compensation
2. career advancement
3. poor performance

However, their employees had something quite different to say. They stated the top three reasons employees leave are:

1. burnout
2. bad bosses
3. a lack of recognition

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What would you do differently if you found out your whole concept of why your employees leave was wrong?

# What constitutes a true turnover problem?

**Employee turnover is inevitable, costly, disruptive, and sometimes for the best. Employee turnover encompasses all the questions you have about who left, why they left, and whether or not it's regrettable. There are many types of employee exits that are included in your turnover rate, and some of them can actually be seen as healthy for the business.**

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“In high-transaction, low-relationship areas of the business, such as call centers, you’re truly meant to experience a high level of churn or the economics of tenure actually work against you. You use these environments as feeder pools for new talent to cut their teeth, and either opt out or level up. It’s important to remember that in some situations, turnover might actually be valuable. Context is everything, and people analytics gives you that context.”

**Paul Rubenstein, Chief People Officer, Visier**

What determines a high or low turnover rate can depend on industry, role type, company size, or geographic location. To determine if you have a high turnover rate or a true turnover problem, look to the effect it has on your business:

- Is HR able to keep up with acquiring new talent?
- Is your bottom line being affected?
- Are you struggling to replace highly skilled workers?
- Is turnover making it difficult for the rest of your employees to get their job done?
- Worse still, are they growing dissatisfied or distrustful?

The remedy to an employee turnover problem is a data-driven retention plan. Retention plans must be flexible and strategic to successfully impact your employee satisfaction rating and your organization's bottom line.

## How effective are my retention strategies?

**Let’s get one thing straight: not all employee turnover is bad.** There are employees who you won’t want or need to retain. Many organizations have fallen into the trap of looking at their turnover rate and immediately jumping to the conclusion that any turnover is bad, and must be solved immediately with costly retention solutions.

**When diagnosing the severity of a retention problem, you’ll want to look at a few key questions:**

- Who is leaving? Are they your best performers?
- Who is staying? Are they the employees that your retention plans are designed to keep?
- Are employees leaving roles that are difficult to replace?
- How much money are you spending on retention strategies? How much money are you saving by retaining your employees?

# What are the warning signs of a retention problem?

By Kelly Reed, Managing Director of Talent and Culture at Lockton

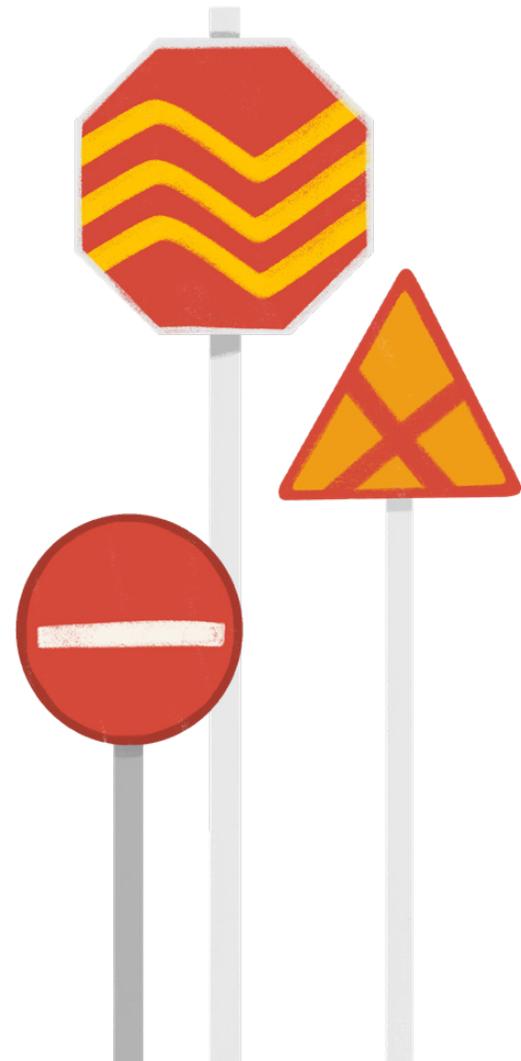
***Lockton Companies Inc. helps organizations and people thrive with strategic solutions to optimize business risks and rewards.***

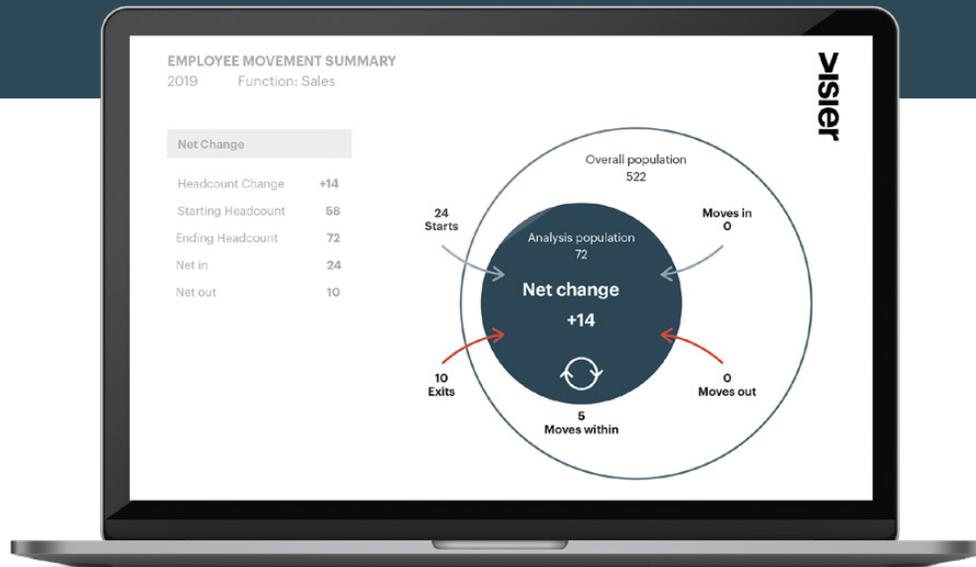
When working with a customer who thinks they might have a turnover problem, there are a few key metrics to look at, even if they haven't started utilizing a people analytics platform.

**Here are some warning signs that you may have a retention problem on the horizon:**

- Your employee engagement survey scores are low, or you have a low response rate. Voluntary turnover is often directly related to low employee engagement. Take the time to actually read through the comment sections of your survey for clues.
- People are suddenly calling in sick or taking more days off than usual. This could mean they are taking time off to look for a new job, but it can also signify that people are burnt out and are actually getting sick because of it.
- You receive two or more resignations in a short period of time from people you are surprised and disappointed to see leave. Good employees often leave in batches, because they are inspired by their friends leaving.
- You haven't reviewed exit interviews in a while. People commonly give good reasons for leaving that could have been addressed while they were still with you. Take note of when you think someone might not be telling the whole truth about why they left, and consider anonymously surveying peers about why someone left. Sometimes the best employees don't want to burn bridges and will give you a very filtered version of why they left.
- You're constantly recruiting, but your headcount isn't changing. You might just be spinning your wheels in employee churn.
- You feel like it has been difficult to recruit and retain good people in certain types of roles, divisions, locations, or teams.
- You have concerns that someone may leave based on conversations and complaints from employees.

While this information may be accessible through HR reports or even anecdotally, a true diagnosis of an employee turnover problem will be best achieved using people analytics.





# Refresher: What is people analytics?

**People analytics is the practice of collecting and transforming HR data and organizational data into actionable insights that improve the way you do business.**

That's a lot of jargon. But what does this really mean for HR practitioners, and how does it relate to employee turnover and retention?

People analytics is the art and science of connecting data to uncover answers about your workforce that will lead to better business decisions. By transforming raw data into actionable insights, answers, and solutions, people analytics helps to give organizations the ability to better understand their workforce and organization. This information is then displayed in digestible graphs, charts, visualizations, questions, and answers. Using this knowledge, HR leaders are able to back up their instincts with facts and rely on data-driven strategies that help their organization to grow

**How does people analytics affect employee turnover and retention?**

Making workforce decisions without the data to back them up is a missed opportunity to be strategic. The lack of data, and inability to directly connect workforce decisions to business outcomes, has held HR back from holding a seat at the boardroom table. People analytics is changing that by offering data-driven decision-making to HR leaders of organizations of all sizes.

By looking beyond simple descriptive HR reports, HR leaders are able to design more meaningful strategies to engage and retain their best workers, thus reducing unwanted turnover and saving their organization money. People analytics shows what happened in the past, uses analyses to explain why it happened, and then predicts what could happen in the future. Predictive analytics is giving HR the opportunity to analyze solutions to problems that haven't even happened yet using what-if modeling and artificial intelligence.

- What would happen to production if you lost eight key employees within the same department?
- How will you handle your upper management reaching retirement age within the next five years?
- When will automation begin to change your headcount requirements?
- Are you prepared to level up junior employees for those hard-to-fill positions?
- As your industry grows more competitive in your region, are you prepared to review salary benchmarks to retain your people?

# DIY: Attack turnover now!

## How to begin analyzing your retention strategies without a people analytics tool

There are many barriers to people analytics that prevent organizations from investing in a solution, even if they are aware it will help them manage their organization more effectively. Whether you're attempting to clean up your existing HR data or struggling to get buy-in from your leadership team, not every organization feels ready to begin their people analytics journey today.

You can still use your HR data to perform a DIY solution to begin addressing your employee turnover and retention strategies.

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### Diagnose

#### How big is your turnover problem?

Export the last year of your turnover data from your HRIS. Graph it out to month-over-month exits.

#### Is the problem growing at a stable rate?

Does your turnover rate grow over time, or does it stay about the same? Are there months when you expected to lose more employees? Do you see any surprises?

#### Is there a particular department you need to worry about?

Group exits by department. Focus on departments with the highest increase in turnover, most urgent need, and the greatest impact on the organization.

#### How does this benchmark to industry standards?

Take into consideration your industry standards for turnover. For example, if you are leading a retail organization, you can expect to have high turnover after the holiday season. If you work for a manufacturing organization, you likely have higher turnover for entry-level factory positions. If you are working in tech, the competitive and highly skilled environment makes turnover especially costly and your retention strategies more important than ever.

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### Intervene

#### Talk to your employees.

This may go without saying, but a lot of HR leaders still make the mistake of analyzing turnover and then taking action on a retention strategy without ever speaking to the people who are at risk of leaving.

#### Talk to your managers.

Does one manager have a higher turnover rate than others? Sometimes the old adage is true: people don't quit jobs, they quit managers. Is one manager a superstar at retaining talent? Figure out what they are doing right, and coach your other managers to improve their retention rates.

#### Create a plan for at-risk employees.

Without analytics, you can still attempt to manually identify at-risk employees. If you're aware that a certain manager is struggling to retain employees, speak to their team and see what improvements they'd like to see. If you have a manager who hasn't had a raise in a while, take the time to analyze the market rate for their role and consider adjusting their total rewards. Review engagement survey responses more closely from departments that have higher turnover rates.



# What are the risks of trying to tackle turnover and retention without analytics and data?

**HR leaders have relied on their gut instinct for decades. Nobody knows their workforce better than a tuned-in HR professional.** You're often the first person a new hire meets. You're the person they turn to in times of trouble. You're facilitating performance reviews and engagement surveys, and you've got your ear to the ground at all times. Instinct in HR is backed by years of education, training, and experience.

But when it comes to planning turnover and retention strategies, gut feeling doesn't scale and often falls short. How many times have you been blindsided by an excellent employee leaving for a new opportunity? How many engagement surveys did you conduct where you were disheartened by a low response rate or lack of actionable information? How often have you attended an exit interview, only to feel like your former employee was holding back their true feelings? Often, your most disengaged employees will hold back their truth and simply seek to leave. This is where data comes into play.

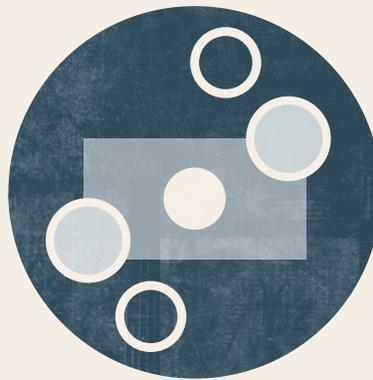
# 3 challenges you'll face when tackling turnover and retention without people analytics

By Kelly Reed, Managing Director of Talent and Culture at [Lockton](#)



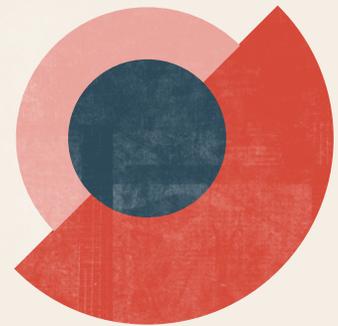
## The Zero-to-Crisis Challenge

Turnover problems often lie dormant, stay hidden, or get downplayed by management until they turn into a crisis. With the right data and analytics, HR leaders are able to intervene and shift strategies before they ever reach crisis level. Employees can be retained before anyone would have realized they were considering an exit.



## The Business Impact Challenge

Some business leaders make the mistake of seeing turnover as simply “the cost of doing business.” While it is inevitable that you will lose employees, even good employees, the cost of a true turnover problem cannot be downplayed. People analytics helps leaders to calculate just how much turnover is really costing them in direct spend and wasted resources, so they can understand the size, scope, and urgency of the problem.



## The Invisible Warnings Challenge

No matter how experienced you are in your job, HR leaders still miss warning signs and root causes for turnover until it is too late. Without making data-driven decisions, you might even make a problem worse by trying to guess what really matters to your people.

“The road to hell is paved with good intentions—tackling turnover without data and analytics is much the same. Creating retention plans usually costs money. If you’re creating data-driven plans that actually work, they will cost a lot less than losing your best employees. But creating plans based on guesswork can be a total waste, or worse... they can do more harm than good.”

– Paul Rubenstein, Chief People Officer, Visier



# How to get started with people analytics

In the era of analytics, organizations are sitting on a gold mine of information and people data. But many HR leaders are not using this data to make better informed strategies and workforce decisions.

Getting started with people analytics requires an organizational shift toward seeing data as a necessity in your people strategies. Analytics helps you ask the right questions and get the right answers. But it is only as powerful as the hands it is put in.



# Ruthlessly pursue the right problems

By Stela Lupushor, Founder and Chief Reframer, [Reframe.Work Inc.](#)

**Sometimes the most important question you can ask yourself when getting started with people analytics is, “Are we solving the right problem?”**

For example, predicting your company’s attrition risk is one of those perennial issues that many HR functions have been attempting to solve for decades. Today, we have more sophisticated tools to perform analyses. We have more data—structured, unstructured, internal, external. We can quickly assess the supply and demand for specific skills, in which location those skills are in great demand, which profiles our competitors are looking for, and what the characteristics of those who might be at risk are. With people analytics, we are able to go beyond typical segmentation and get to a very granular analysis of behavior.

But guess what? Little has changed. All this sophistication still doesn’t solve the fact that people leave. People will always leave. The question is whether one needs to spend their time trying to prevent the inevitable, or think about the situation through a different lens.

Instead of trying to prevent the inevitable, use your data to think about how you can get the most out of your employees while they’re still with you. Think about how you can create the best working environment where your employees won’t want to leave.

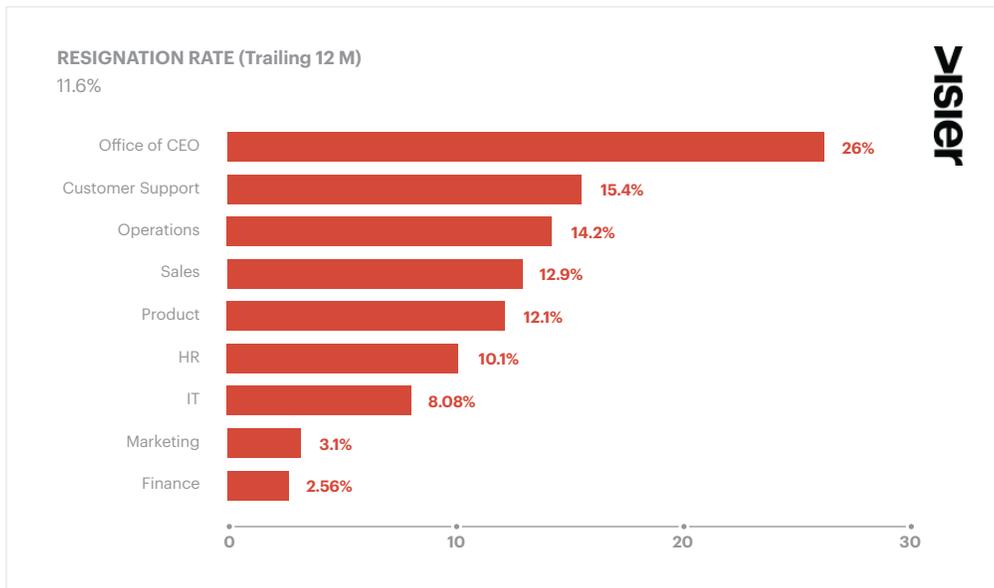
# How to create a data-driven turnover and retention plan

## Identify your problem(s)

To solve turnover and improve retention, you need to understand the problems causing it. Take a look at these key metrics to better understand the root cause of your turnover problem.

### Resignation rate

There are many different ways to calculate turnover and resignation rates. It's not uncommon for a single company to be calculating these rates in multiple different ways. This makes benchmarking against your past complicated and confusing.



Begin by ensuring your resignation rate is calculated using the same metric by all departments and locations. Next, look into who is resigning. Are they your top performers? Senior management? Or are they entry-level roles that you can easily afford to replace?

### Impact on your business

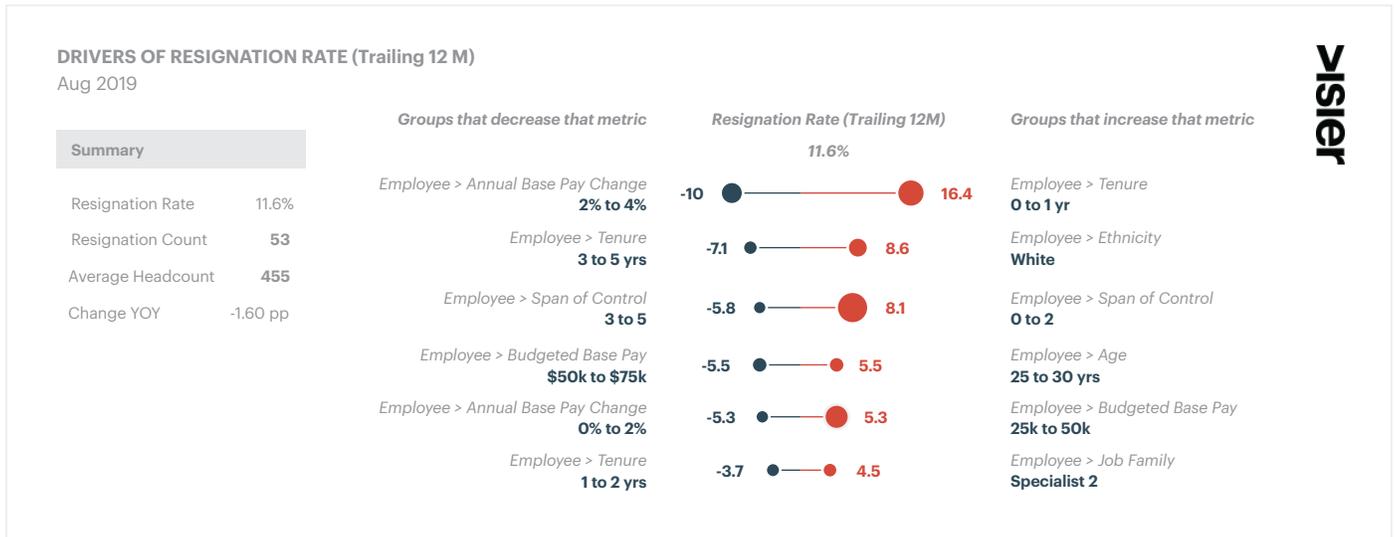
Turnover can have a big impact on business outcomes, such as revenue, productivity, and employee engagement. Use analytics to take a detailed snapshot of how employee exits are affecting your other business metrics.

## Look for the causes of turnover

Once you know if you definitely have an employee retention problem, use people analytics to dig deep into what’s causing your staff to leave.

### Resignation drivers

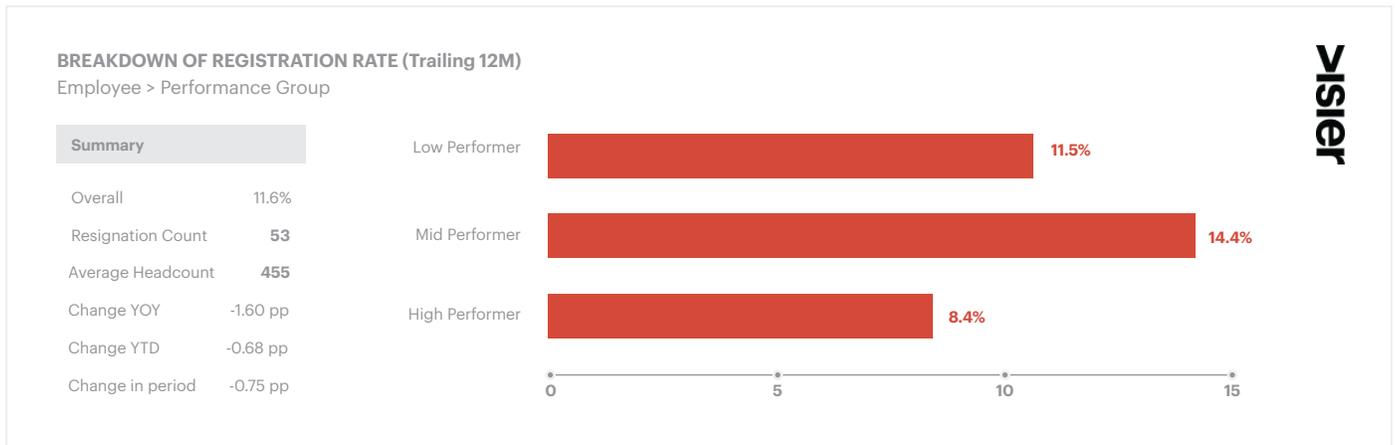
Determine the reasons for resignation to create a more meaningful retention plan for your current employees.



Are your top performers leaving for higher pay? Is a large portion of your workforce reaching retirement age? Are your promising new hires exiting within six months of joining the company?

### Resignation correlations

Understand how resignations affect things like compensation ratio, promotion wait time, pay increases, tenure, performance, and training opportunities.



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Knowing the reason for the resignation is the best way to create plans for retention. If you need to make an argument for raising your workforce costs to retain good people, using data is the best way to bring your finance and leadership teams on board.

## Determine who can be saved

One-size-fits-all retention plans are the opposite of strategic HR. Not all turnover is bad. Not all employees can be saved. No matter how great your business is, someone is going to leave for a better opportunity, a better fit, or for reasons you'll never even know.

Determine who is worth saving. If you are losing low performers in non-critical positions, the amount of time and effort you put into creating a retention program should be a lot less than if you are bleeding high performers.

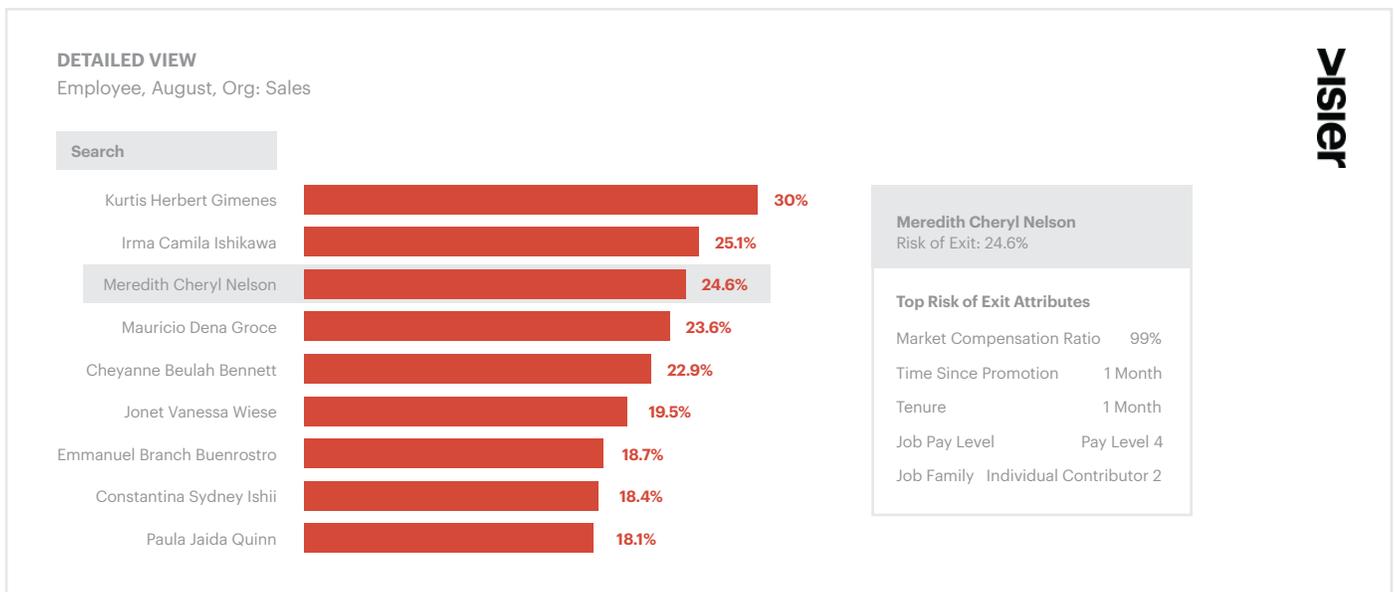
Look at these metrics to determine your course of action:

### Resignation segments

Understand your most at-risk segment of employees by looking at groupings across location, tenure, age, diversity, job function, performance level, and more. Identifying your most important groups will help you create tailored programs that deliver the most impact.

### Risk of exit

If you've got predictive analytics capabilities, you can determine which employees are at risk of leaving before they've even typed up their resignation letter.



Visier's predictive solutions are 17 times more accurate at predicting who will resign within three months than guesswork or intuition. You won't be able to retain every good employee, but the savings of retaining even a few can be significant.

## Design a tailored employee retention program

Once you're clear on where you want to focus your efforts, begin creating a program based on understanding what drives away and what retains key employees.

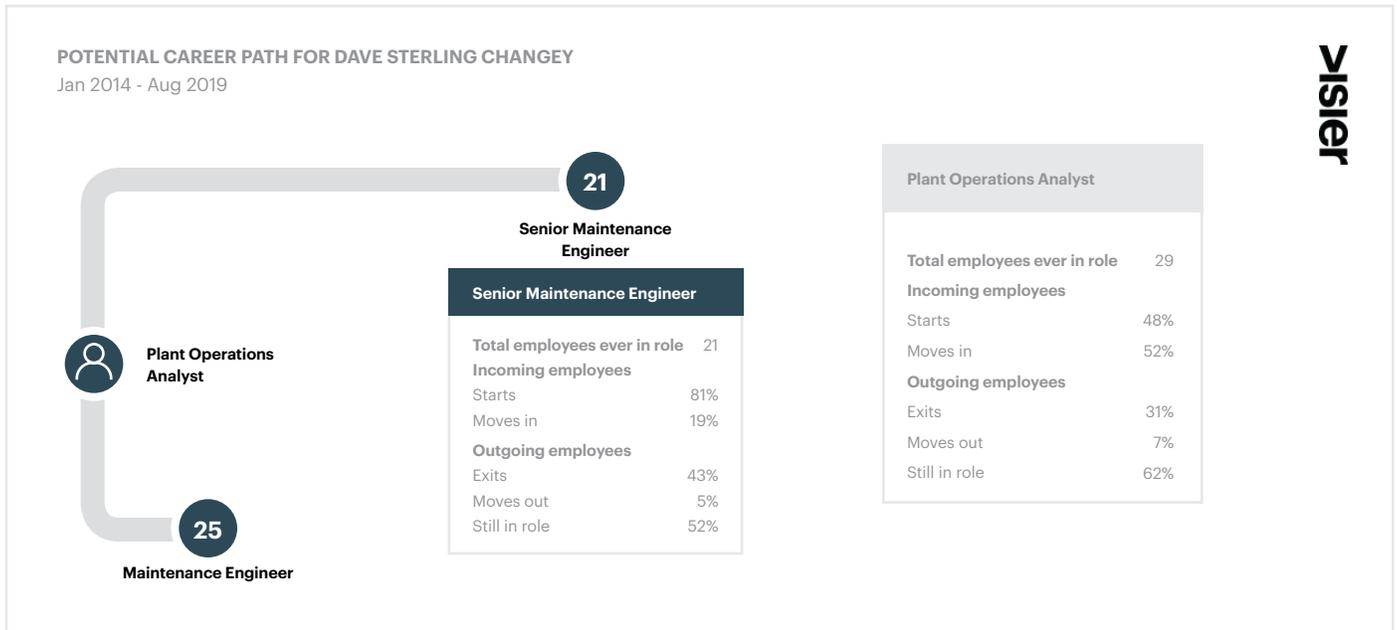
“Sameness does not yield greatness when it comes to talent theory. Some people try to create a retention plan that has one bowling ball knock down as many bowling pins as possible. If your retention program is too homogenous, you might actually be retaining the wrong people.”

**Paul Rubenstein, Chief People Officer, Visier**

Use these metrics to begin asking the right questions to create a tailored retention plan:

### Promotions actioned

If lack of career advancement or meaningful career pathing is driving resignations, look at how promotions have been handled. Speak to managers who have successfully leveled up their team members and incorporate their strategies into your company plans.



## New hire performance

Do you find you are losing new hires within the first year? Why, or why not? These metrics can provide huge insight into your onboarding strategies and your managers' effectiveness.

## Retirement trends

While retirement is inevitable (and often a cause for celebration), strategic workforce planning can help you create programs to level up junior staff or talent acquisition plans to fill the upcoming vacancies.





## Spotlight on: retention and total rewards

As the millennial generation takes over as the workforce majority, employers today are learning that this workforce wants more from their jobs than the traditional pay, benefits, and 401(k) package.

Great! Does that mean you can stop worrying about total rewards when it comes to retaining your best employees?

Unfortunately not. While there are now more elements at play in a good retention strategy, giving your people what they want (and deserve) in terms of salary, benefits, and paid time off are still paramount.



# Benchmark your compensation

Are your total rewards and compensation strategies on par with your industry? Do you have any wage gaps? Traditionally, performing competitive compensation research has been a massive project for HR leaders. People analytics solutions like Visier provide industry benchmarking, making it easy to compare your compensation plans to your location, industry, and role type.

Deloitte recently reported in its *2019 Human Capital Trends* report that wages are not keeping up with inflation or growing with the global economy. Even though today's competitive labor market means organizations are competing for top talent, many are still trying to attract and retain employees with non-cash benefits.

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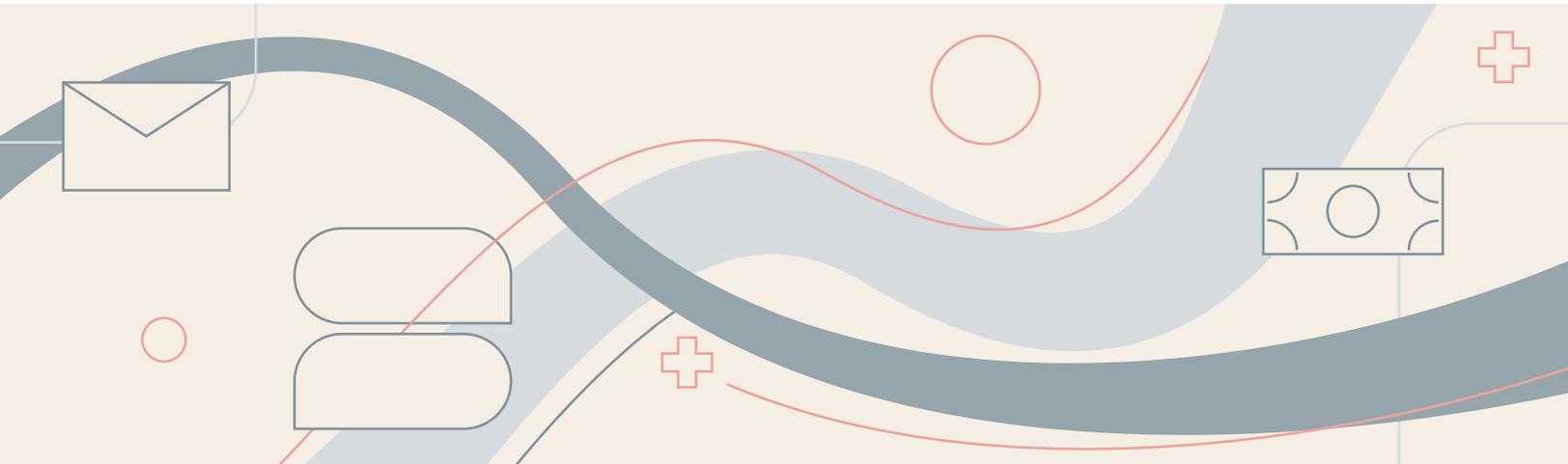
“Organizations have offered flexible work hours, free lunches, unlimited vacation, and many other fringe benefits in efforts to make the workplace better. It seems that employers are willing to throw almost anything at their people to try to improve the workforce experience, as long as it doesn't involve above-market raises in base pay.”

**Deloitte: 2019 Human Capital Trends report**

Many organizations are stuck in outdated thinking models. Employee labor is viewed as a cost rather than an asset, so wages are kept low to keep spending down. While this can help some organizations meet short-term financial goals, this is rarely in line with a company's big-picture plan for growth and success.

## Asking the right questions:

- Are our compensation practices benchmarked against our industry and location? If not, do we have a plan to improve on this?
- Do our employees take advantage of their benefits? How can we ensure the benefits we provide are in line with what they want?
- Are we measuring how compensation impacts productivity and job performance?



# How can I know what really matters to my employees?

By Deep Litt, People Operations & Analytics Manager, Visier

Many organizations feel that the comprehensive benefits and rewards they offer make their company a great place to work. But how do you know that the benefits you offer are actually the benefits your employees want? Juggling rewards and benefits plans to meet your budget and satisfy a diverse workforce is an annual headache for most HR leaders. Luckily, data and analytics can help.

## Talk to your people

It's old school, but the best way to learn if your rewards are the right ones are to speak with a cross-section of your employees. If you're in a company of 300, it's easy enough to speak to a handful directly. If you're in a company of 3,000 or 30,000, this task can be overwhelming.

Consider sending out a quick pulse survey asking if employees are satisfied. Build in questions to ensure that your people actually understand what they are getting. Many benefits go unused because people are unaware of how to use them or that they even exist.

## Cross-reference your results with data

Let's say you receive feedback that the majority of your employees are unsatisfied with the amount of sick leave allotted, or that they want more medical benefits.

Take a look at how much sick leave your employees are actually taking. Are the majority hitting their allotted time by midyear? Consider your employee demographics. Does a large percentage of your workforce have children? They may be using sick time to take care of their family. Do your employees with the most sick leave also have the most overtime hours? Perhaps a percentage of your population is getting run down from overworking.

Line up your medical benefits usage with your survey results. If your team is unsatisfied with their benefits, but few people are ever hitting their max usage target, it's possible there's a knowledge gap. Consider scheduling a lunch and learn to educate people on how to use their benefits. Or perhaps they aren't hitting their max usage because you're simply offering the wrong benefits.

## Be flexible

You will never find a perfect one-size-fits-all total rewards strategy. To retain your best people, give them what they want. Provide the flexibility for people to select the benefits that matter the most to them. If you have flight-risk employees, talk to them individually and see what would turn things around. While you will always find employees who are simply looking for more pay, you might be surprised by how many people can be retained by simply feeling heard.



# Spotlight on: retention and the employee experience

Employee experience affects retention, acquisition, and overall organizational success. It's common sense that the happier your employees are, the more likely they are to stay.

84% of Deloitte's 2019 survey respondents rated **employee experience as being important to their organization.**

Your company culture and employee experience are intrinsically linked. While trying to meet the needs of a new millennial workforce, some organizations have fallen into the trap of trying to provide fun "perks" like bean bag chairs, espresso machines, snacks, and free beer Fridays. While these perks can influence company culture and give your organization a fun, youthful appeal, they aren't directly tied to true employee satisfaction.



# Celebrate and recognize your best employees

*According to Gallup's 2017 report, [The State of the American Workplace](#), only 15% of employees feel truly engaged at work.*

No matter the workforce generation you are trying to retain, employee recognition will always be of great importance to retaining your best employees. Engagement and recognition often go hand-in-hand, and are major drivers for retention. When you cannot afford to increase pay or other benefits, keep in mind that recognition programs can be free.

While some recognition plans involve gift cards or other (usually minor) costs, having a manager pull your best employees aside to thank them for their hard work costs nothing. Celebrating a job well done at a team meeting builds morale and teamwork. Recognition boosts engagement and has been shown to improve productivity, company loyalty, and consequently, retention.

## Asking the right questions

- Who are the most engaged employees at work? Are they also the highest performers?
- Do our current employee recognition plans actually recognize the right people, or are they popularity contests?
- Are we rewarding people in a way that is meaningful to them?



## Spotlight on: retention and diversity

Businesses today understand that to be successful, they need to attract, retain, and mentor employees with diverse backgrounds. Hiring is only the beginning of building a truly diverse workforce. Women, minorities, veterans, and people with disabilities need to work within an environment that meets their needs and supports them through their career journey. This requires the willingness to create flexible retention strategies that meet people where they are.

Diversity within an organization is a philosophy, a commitment, a challenge. It cannot be characterized simply by a ratio or rate. To positively affect diversity retention, you'll have to dig deeper into your HR data to understand why key groups of employees leave and why they stay.



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“When it comes to creating retention strategies, sameness in employee demographics makes it easier to retain people with one simple strategy. Diversity is crucial, but it requires attention spent on understanding what different employee demographics want.

There are the classic diversity categories: race and gender. Then there are other visible differences, like language, accents, sexuality, disabilities, even clothing style. But there are also invisible—but still significant—differences that can cause biases in everything from talent acquisition to employee retention.

*‘This person didn’t go to a university I am familiar with.’*

*‘That person doesn’t have a background I find relatable.’*

*‘I like this person because we are both parents.’*

*‘They are a good sales person because they’re a competitive athlete.’*

It has been proven that managers will hire and retain people who they find personally relatable. Are the best sales people also athletes, or are you just comfortable hiring athletes in your sales department because they speak your language? That’s a biased choice we see every day in HR. Data is helping us to remove these biases.”

**Paul Rubenstein, Chief People Officer, Visier**

### Asking the right questions

- Are our female employees being promoted at the same rate as their male counterparts? Are they receiving equal pay for similar positions and education?
- Benchmark your diversity ratios against your geographic region. If you have a 30% Hispanic population in your area, does your workplace reflect the same?
- Benchmark against your industry. If your business operates within a typically male-dominated industry, retaining and promoting your best female employees is often the most effective way to attract more women.
- Which departments are the most diverse? Which are the least? Are certain managers losing key groups of employees at a higher rate?



# Where can we go from here?

Employee retention is often the most pressing HR challenge that leaders face. Getting retention wrong is costly, time-consuming, and damaging to your employer brand.

With their skills and expertise, HR leaders have strong intuition on how to best guide and grow their teams. People analytics and HR data helps take those skills to the next level by removing the guesswork and enabling data-driven decision making.

“HR has always been working for that seat at the table, to be a true business partner, to be solving business challenges.

People analytics is giving HR the ability to think about what the future is going to look like, understand what your attrition and retention drivers are within your organization, and then truly action on that. Being predictive and being a business partner go hand in hand. That’s really what it’s all about.”

**Michelle Mikesell, Director, HR Operations & Traditional Employment Solutions, Insperity**

**Is there a particular chapter you’d like to see? We’d love to hear from you.**

**Thera Martens, Marketing Director, Mid-Market**  
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**Visier is a people analytics solution that makes it easy for HR leaders to transform their existing people data into meaningful analytics. Using hundreds of built-in graphs, data visualizations, questions, and answers, people leaders are able to gain insight into their organization, use data to tell the story of their people, and drive growth.**

Move beyond outdated Excel spreadsheets, and make navigating complex HR data simple. With business intelligence tools built for HR, Visier drives growth and meaningful insight into an organization's biggest investment: their people.

Learn more about Visier by visiting [visier.com](https://visier.com).



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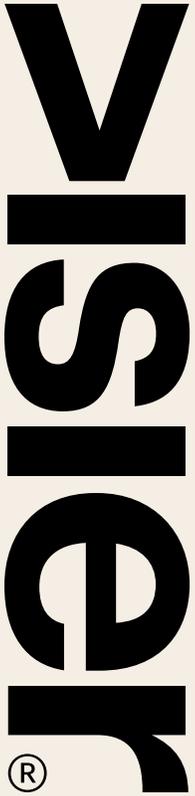
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