Namely

EMPLOYEE RETENTION STRATEGIES FOR
2024

Contents

Introduction

Voluntary departures during 2021 and 2022 sent shock waves throughout the employment industry, ushering in the era of the Great Resignation. Workers everywhere began reevaluating their career options and leaving their jobs in pursuit of happiness, freedom, and growth.

While the sheer volume of resignations tapered off during 2023, the lessons learned during the Big Quit highlighted the importance of cultivating workplace environments that resonate with employees' aspirations.

Recent studies reveal that employee dissatisfaction reached a three-year high in 2023 and companies are left questioning what it truly takes to keep their workforce motivated, inspired, and satisfied.

What combination of perks, benefits, and compensation would be most effective?

What really matters when crafting programs to meet employees' needs?

From recognition and flexibility to a stellar **employee experience** and company culture, many variables influence how employees perceive their jobs and whether they decide to stay.

While there's no one-size-fits-all answer, this eBook will cover powerful strategies for engaging and retaining your workforce to help you thrive in today's competitive talent market.

We'll examine how to drive longevity at your organization throughout the different phases of the employee lifecycle. First, we'll take a look at hiring employees who are in it for the long haul, then dive into inspiring individual contributors, plus explore how to retain senior leadership.

Let's get started with employee retention strategies for 2024.

How to Hire Employees Who Will Stick Around

How to hire employees who will stick around:

Of course, employee retention focuses on keeping employees happy and motivated while they're at your company. However, a successful retention strategy starts before new hires even sign their offer letters. The first step to retaining your employees is hiring the right people.

So how do you hire employees who will stick around?

In case you're not sure, here are some tips:

1. Define Your Culture and Values

When it comes to attracting top talent, company culture is key. One-third of candidates would pass up the perfect job if the organization's culture wasn't a good match. Another study found that **30 percent** of employees who had left a job within the first 90 days listed company culture as the reason.

Hiring the right employees means looking for candidates who will be a "culture add" to your organization, not a "culture fit". These kinds of employees not only embrace your values, but more importantly add to your company's diversity by offering different backgrounds, perspectives, and experiences.

To find these employees, you need to define your culture and values during the hiring process. What exactly are your core values and mission statement, and how does your workforce embody them? What **Employee Resource Groups** do you have? How often do your employees volunteer, and for what causes?

This is where employee referrals can be extremely helpful. It's likely that candidates your employees refer share similar values and are looking for the same kind of culture — which increases the chances of them staying at your company. According to recent data, **45 percent** of employees sourced from referrals stay at their companies for longer than 4 years.

2. Be Transparent About Expectations

Setting expectations upfront can help you avoid turnover in the long run. Having unclear expectations is a lose-lose: You may hire candidates who aren't the right fit, and new hires may feel misled and potentially burnout if the workload is different or more than they expected. In both cases, the chances of turnover are quite high. A study found that **59 percent** of employees quit their jobs because the role didn't match their expectations—otherwise known as **shift shock**.

Whether it's about responsibilities, salary, benefits, working hours, or WFH policies, it's crucial to be transparent with candidates about expectations during the hiring process. This starts with job descriptions.

Clearly stating what a role entails in its job description will immediately help convey expectations. What will the person's day-to-day look like? Is it a 9 to 5 job or is your company flexible with schedules? Is the role in-person, or can the employee work remotely?

Once candidates advance to the interview stage, it's imperative to reiterate these expectations. Walk them through the role and ask them if they have any questions. Doing so will make sure you're on the same page with no surprises if you end up hiring them—which not only increases the chances of them staying at your company but also helps set them up for success.

3. Offer Strong Compensation Packages

Today's job market is more competitive than ever before. To hire the right candidates, you need to offer attractive **pay** and **benefits**.

First, let's take a closer look at pay:
Salary will always be factored into a candidate's decision to accept a job offer. But to retain your workforce, your compensation strategy needs to span the entire employee lifecycle. With the increased attrition landscape, many companies are reevaluating their approach to merit increases, spot bonuses, equity refreshers, and remote workers' compensation.

Now let's examine benefits:
Offering competitive benefits is also crucial to employee retention. In fact, in 2023 **benefits satisfaction dropped to 61 percent**, reaching its lowest point in a decade.

Companies must offer the basics, like medical and life insurance, but that won't make them stand out. Certain benefits have become increasingly popular, such as 401(k) matching, **student loan debt repayment**, and unlimited or minimum **PTO**. In recent years there's one type of benefit in particular that has become a must for some employees: **wellness benefits**.

Candidates want to work for companies that will invest in their health and happiness. To support their employees, **77 percent** of employers plan to focus on increasing mental health access in 2024. These **mental health offerings** include such wellness benefits as 24/7 helplines, discounts on mental health apps, and **Employee Assistance Programs (EAPs)** that offer free and confidential services. **Telehealth** has also grown in popularity, enabling employees access to medical care at any time, from anywhere.

4. Conduct Effective Onboarding

Once a candidate accepts your job offer, it's time to onboard them. Effectively onboarding helps new hires feel welcomed from day one — which directly increases your employee retention. A great onboarding experience ensures that **69 percent of employees** stick with a company for three years. If a new hire doesn't have a positive onboarding experience, they are **twice as likely** to search for other job opportunities and leave your company.

But as companies continue to work remotely, what exactly does effective onboarding look like? How can you kick off a new hire's first day successfully without greeting them in the lobby and taking them on an office tour? Luckily, with the **right technology**, **virtual onboarding programs** can be just as effective as in-person ones.

Before new hires even begin, encourage their coworkers to reach out to them via email. Your employees can congratulate them on their new role and welcome them to the team. On their first day, schedule a virtual team lunch or happy hour so they can get to know their teammates — no matter where they're located.

Meeting a lot of people at once can be overwhelming, especially virtually, so provide your new hires with proper onboarding resources, like a company org chart. To give them insight into every department, invite employees across your organization to introduce themselves during sessions. This will help make them feel right at home and set the tone for the rest of their employee experience.

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5. Set 30-60-90-Day Plans

The first 3 months can either make or break an employee's experience at your company — which is why it's so crucial to create a 30-60-90 day plan. Broken into 3 parts, this plan clearly outlines a new hire's tasks and priorities, along with any training they will go through.

To give them metrics to strive towards, this plan should also list out new hires' goals. Simply writing down goals makes employees **42 percent** more likely to achieve them. These goals should be SMART: specific, relevant, measurable, attainable, and time-based.

At the 30, 60, and 90-day marks, managers should check in with employees. During these one-on-ones, they can discuss their progress toward goals and any roadblocks they may be encountering. This will help keep employees motivated and set them up for success, increasing the chances that they're in for the long haul.

How to Retain and Inspire Individual Contributors

How to Retain and Inspire Individual Contributors:

Congrats! You've made some amazing hires! But, unfortunately, that's just the beginning. Now you need to figure out how to retain and inspire those hires so that they are happy and productive at your company.

Let's explore some ways to retain and inspire individual contributors:

1. Give Useful Performance Reviews

Whether you conduct reviews quarterly or annually, evaluating your employees' performance is critical to their success at your company. From quality of work to productivity, performance reviews recognize your employees for their accomplishments and identify their areas of improvement.

When a manager puts in the effort to execute a well-planned performance review, it can make a difference in an employee's work ethic and have a positive impact on the success of the company overall.

Instead of viewing performance reviews as a waste of time, make them a priority. By providing the **right type of feedback** for employees and properly executing reviews, you can change the way your employees and **managers handle the process**.

2. Career Development Convos + Career Pathing

Don't leave all of your career development conversations to performance reviews, though. Performance reviews should focus more on the now—on individual and team performance and how that person has contributed.

Set aside a separate time to speak with each employee about their career goals, what they hope to accomplish within the next 6 months to a year, what they want to learn, what they like and don't like, and how you can help them. This is a great opportunity to offer advice on courses they can take (see professional development), help them find a mentor (see mentorship opportunities), or provide them with a stretch project that will help them test their skills and try out a project that might be more common if they up-leveled their role.

Ensure that you also are completely transparent about the career path for that person's role — even laying it out in a document. Tell your employees what is expected of them at their current level and what exactly they need to do to take it to the next level.

3. Offer Professional Development

Professional development and continuous learning are important factors for retaining talent and keeping employees happy and engaged, especially millennials and members of Gen Z. According to one report, **93 percent of employees** said they would stay at a company longer if it invested in their career development.

Hosting ongoing seminars, lunch and learns, and webinars can help feed your employees' appetite for personal and professional growth and retain your top performers.
You can host the seminars yourself or have an outside professional come in to share helpful advice. You can also offer them the chance to use platforms like EdX, Skillshare, or LinkedIn learning. Ask employees what subjects they want to learn about and plan the content accordingly.

4. Find Mentorship Opportunities

Creating mentorship opportunities within your organization shows employees that you're invested in their professional development and career goals. Mentorship programs can include coaching, training, educational opportunities, assignments, or networking.

It's crucial to align your mentoring program with the needs of your employees so that as your business grows, your employees develop with it. Engaging employees through learning and **leadership development** is a great way to keep them connected to your organization and ultimately retain them.

5. Try Virtual Team Bonding Activities

When your workforce is dispersed, it's especially important to keep your employees engaged. From virtual team lunches and happy hours to online yoga and workout sessions, you can **keep your employees connected** — no matter where they are.

Small doses of team bonding throughout the week can also boost your employees' morale. Allocate the first five minutes of your weekly team meeting to discuss book suggestions or binge-worthy Netflix shows so that your employees can bounce ideas off of each other.

6. Give Feedback and Recognition

Since low morale in the workplace can increase the likelihood of employee resignations, it's critical to implement a positive system of **feedback**. In fact, a survey revealed that 67% of employees say they don't always feel appreciated for their contributions at work. In addition, nearly half 42% of respondents feel their company lacks a strong culture of appreciation.

Receiving positive feedback can motivate employees to continue working hard and putting their best foot forward in the workplace. Team members who feel encouraged and proud of their contributions to your company are more likely to stay.

Some ways that you can give acknowledgment outside promotions and raises are things like spot bonuses, organizational awards, implementing a President's Club, and individual incentives for projects.

The Society for Human Resource Management (SHRM) found that organizations with successful recognition programs experience **31 percent lower voluntary turnover** than companies without them. Encourage your managers to regularly recognize their direct reports and consider implementing an **effective employee recognition program**.

7. Lead by Example

Perhaps the most important way to make sure your employees are happy, healthy, and likely to stay at your company is to be flexible and honest. Make sure your employees know that they don't always have to be available, that they can take time off, and that their personal lives are valued.

However, HR and managers have to lead by example. This means signing off at a normal hour, taking PTO, not emailing on weekends, taking breaks during the day, being honest about appointments/leaving early, and just bringing your real, authentic self to work every day.

How to Retain and Inspire Senior Leadership

How to Retain and Inspire Senior Leadership

Retaining strong leadership at your organization is key to driving business success, employee productivity, and performance. To keep senior executives satisfied happy and engaged, it's important to leverage their unique talents and reward them for their dedication and hard work.

Let's take a closer look at some of the ways you can inspire and motivate senior leadership:
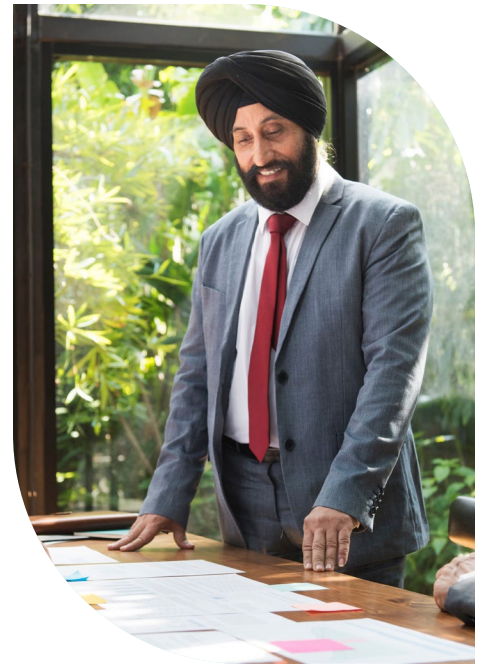
1. Year-End Bonuses

Providing senior leaders with year-end bonuses demonstrates that their contributions, expertise, and knowledge are greatly valued. Including **equity options** in their bonus structure can also inspire those interested in long-term financial investments. Also known as employee stock options, equity options give employees the right to buy a certain number of shares in the company at an agreed-upon price.

By understanding how their growth is connected to the growth of the business, these leaders will have increased motivation to finish the year strong and stay at the company for the long term.

2. Building Trust

Establishing trust with your executive leadership team helps align them to your strategy and positions them to run their department effectively. To work toward this, lean on your individual leaders when making decisions about their departments, as they have the best insight into what's needed for their teams.

Cultivating mutual respect and openness between your leaders creates space for better listening and collaboration. To promote open communication, consider having your leadership team participate in an offsite, informal group outing, or feedback conversation.

3. Appropriate Staffing

Even the most resourceful leader can get overwhelmed and suffer from **burnout** when faced with staffing shortages that prevent them from achieving their business goals.

To avoid this dilemma, ensure senior leaders are supported with the appropriate amount of direct reports and team members required for executing their department's strategy. Encourage leaders to share feedback on the allocation of resources within their teams, and to surface when staffing or workload issues should be addressed.

4. Encourage Time Off

A recent **survey** found that 54 percent of respondents said they were unable to, or did not believe they could, fully unplug from their job responsibilities. Creating a culture where everyone feels supported in taking time off starts with modeling this behavior from the executive leadership level.

While it can be hard for some leaders to embrace taking **PTO**, they should be reminded that it's crucial for maintaining well-being, morale, and productivity. By giving leaders time to rest and recalibrate, you will help them return to work engaged and refreshed.

5. Speaking Engagements and Awards

There are probably executives within your organization who are knowledgeable about broader industry topics or driving measurable results deserving of recognition. Consider submitting them for thought leadership speaking engagements or external awards in their field of expertise.

This will earn them a well-deserved appreciation for their efforts, help showcase their talents, and build their professional credibility.

Retaining and inspiring individual contributors and senior leadership takes a thoughtful and organized approach which can seem daunting. Employing HR technology like Namely, however, can make your life easier and your employees happier.

See our HR technology in action and discover why 75 percent of our clients say Namely has increased employee engagement, and 72 percent say Namely has made its employees more productive.

Request a demo now

About Namely

Combining intuitive HR technology and best-in-class service, Namely empowers companies to build better workplaces. Simplifying the complexities of recruiting, onboarding, time and attendance, performance management, benefits administration, compliance, payroll, and HR analytics, Namely offers an integrated platform that saves companies time and improves their employees' experiences. Distinguished by a 24/7 live support model and enhanced service offerings, Namely delivers an all-in-one HR solution for today's people teams.

Learn more at **Namely.com** and follow us @NamelyHR.