

HR.com's State of Employee Retention 2024-25



Learn how HR teams
can lead the way on
employee retention

OCTOBER 2024



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Executive Summary

Taken as a whole, retention practices are not yet reflecting the urgency of retention priorities, according to our latest research.

This study reveals that retention is perceived to be viewed as a top-three organizational priority by line managers, top leaders, and HR professionals alike. Despite that, just a quarter describe their organization's retention approach as top-notch or advanced. This clear mismatch is turning out to be a serious issue throughout the country.

Why has retention become such a high priority? One reason is a continuing labor shortage. Despite a high labor force participation rate among prime working-age individuals in the U.S., the [latest data](#) shows that we have 8.2 million job openings but only 7.2 million unemployed workers. Even if every unemployed person found a job, a million positions would still remain unfilled.

Another reason is a difference between quit rates and hiring rates. The [latest data](#) shows that the U.S. has a national quit rate of 1.9% compared to a hiring rate of 3.3%.

A third reason is an ongoing [skills shortage](#) among many U.S. employers. One recent study, for example, shows that 70% of executives say their businesses are suffering financially because their workforces lack the right competencies. Therefore, it's critical for many organizations to retain their skilled talent.

So, how can organizations get better at retaining employees? To help find out, we conducted this major study. Below is the summary of the most important findings.

About the Survey

HR.com's "State of Employee Retention 2024" survey ran between July and August 2024. We gathered responses from 298 HR professionals in virtually every industry vertical. Respondents are located all over the world, but most of them reside in North America, especially the United States.

The participants represent a broad cross-section of employers by organizational size, ranging from small businesses with fewer than 100 employees to enterprises with 20,000+ employees. Over a fifth of responses were from large organizations having 1,000+ employees.

Our Major Research Findings

Major Finding 1

Employee retention tends to be a high priority, but organizational capabilities in this area continue to lag.

- Employee retention is perceived to be among the top three priorities for over half of top leaders, line managers, and HR professionals.
- Yet, under a quarter of organizations describe their retention capabilities as “top-notch” (5%), or “advanced” (18%).
- Twenty-eight percent say the voluntary turnover rate in their organization over the past 12 months has been 20% or higher.

Major Finding 2

There are various drivers of turnover, both internal and external to organizations.

- There are a variety of external factors, such as:
 - ▶ economic pressures to earn more/get better benefits
 - ▶ employees' desires for better work experiences
 - ▶ changes in work-life attitudes
- There are also many internal drivers.
 - ▶ The most widely cited drivers of employee turnover within organizations are:
 - * compensations/total-rewards-related issues (57%)
 - * management-related issues (53%)
 - ▶ The top HR-related issues driving turnover are:
 - * lack of proper overall training of managers (64%)
 - * poor overall employee experience (50%)
 - ▶ The top talent-management-related issues driving turnover are:
 - * lack of well-defined career paths (60%)
 - * work overload (56%)
 - ▶ The top culture-related issues that drive turnover are:
 - * managerial issues (e.g., lack of fairness, skills, or support) (66%)
 - * poor communication (60%)

- ▶ The top total-rewards-related issues that drive turnover are:
 - * compensation below market rate (60%)
 - * lack of incentives/bonuses (58%)

Major Finding 3

There are many negative effects of employee turnover, with three options being cited by over 50% of respondents. They are:

- increase in the workload of remaining employees
- lower morale among remaining employees
- loss of productivity/performance

Major Finding 4

The good news is that there are also a variety of ways for organization to boost employee retention.

- Factors most likely to influence employees to stay are:
 - ▶ flexible work/hours (56%)
 - ▶ competitive compensation (52%)
- The top culture-related initiatives used to improve retention are:
 - ▶ encouraging open and transparent communications (46%)
 - ▶ encouraging good work-life balance (41%)
- The top talent-management-related practices that improve retention are:
 - ▶ good onboarding experiences (53%)
 - ▶ increased training opportunities (44%)
- The top total-rewards-related actions organizations use to improve retention are:
 - ▶ analyzing compensation rates (e.g., benchmarking studies) (51%)
 - ▶ increasing compensation (46%)
- There are various ways of measuring employee retention, the two most widely cited being:
 - ▶ overall turnover rates (69%)
 - ▶ reasons for departure (66%)

Major Finding 5

The top goals of employee retention strategies are:

- to increase employee engagement and satisfaction
- to increase performance/productivity
- to reduce voluntary turnover rates
- to preserve organizational knowledge
- to reduce stress due to burnout and work overload

Major Finding 6

Compared to organizations that cite relatively poor retention approaches (retention chasers), those citing better retention success (retention leaders) are:

- almost 3X more likely to track and measure the cost of turnover
- over 2X more likely to have implemented rewards and recognition programs, and increased paid time off or holidays to improve retention
- 2X more likely to improve retention by focusing on employee well-being and mental health, and creating good employee experiences
- 2X more likely to incorporate effective L&D, internal career mobility options, and DEIB focus to improve retention
- 1.5X more likely to cite a voluntary turnover rate of 9% and below over the past 12 months
- 1.4X less likely to say poor communication and poor leadership drive turnover

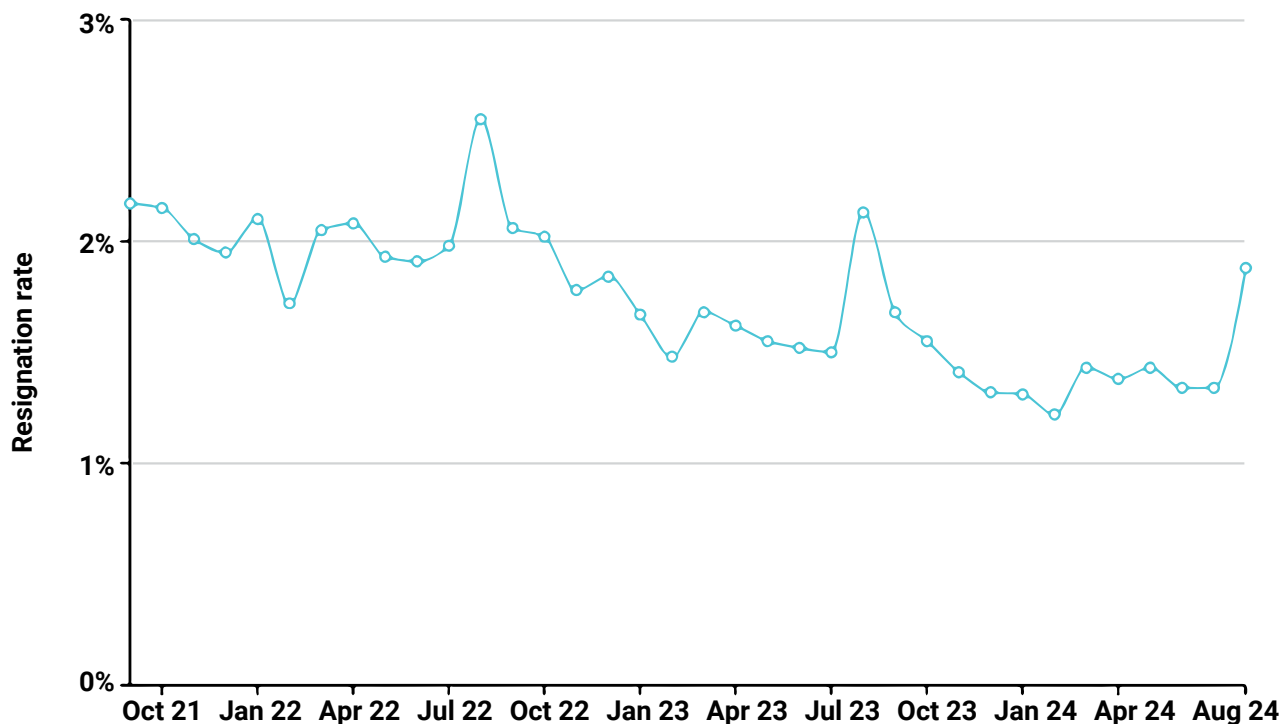
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Retention: Organizations' Approach and Outlook



Finding: Only a quarter of respondents describe the retention approach in their organization as “top-notch” or “advanced”

Employee retention is a pervasive problem facing organizations, with recent statistics showing that [52%](#) of employees quit within the first year of employment. Data from the HR analytics platform [Visier](#) suggests that despite a generally downward trend in resignation rates when compared across the last two years (resignation rates in August 2024 are at 1.9%) resignation rates in certain industries, such as high-tech companies, are much higher at 3.1%. Therefore, employee retention remains a problem for organizations to contend with.



Despite the pressing need to develop strategies to handle this issue, organizations continue to struggle with improving the maturity of their retention function. In fact, a mere 5% say their retention approach can be described as “top-notch.” Cumulatively, a quarter say their retention approach is either “top-notch” or “advanced.” There hasn’t been much improvement over [last year’s data](#) on the same question and has in fact had a 10-percentage-point drop since [2022](#).

Two-fifths describe employee retention in their organization as “intermediate,” and a little over a third admit their approaches are at the “beginning” (25%) or “undeveloped” (10%) stages. This signals that organizations still struggle with improving the maturity of their retention function.



Two-fifths of organizations are at the “intermediate” stage in terms of employee retention

Retention cohort classification

We wanted to take a closer look at what differentiates organizations who are more successful with employee retention from those less successful with employee retention. To do this, we separated our sample into two cohorts.

- **Retention leaders:** respondents who answered “advanced,” or “top-notch” to the question, “How would you describe your organization’s retention approach?”
- **Retention chasers:** respondents who answered “undeveloped,” “beginning,” or “intermediate” to the same question.

Correlation does not necessarily indicate causation, of course, but these relationships can provide clues about possible best practices related to employee retention.





Finding: Employee retention is at least a top-three priority among most organizational stakeholders

The relative lack of functional maturity in most companies does not indicate a perceived lack of importance. Not only is it expensive to replace and train an employee, but associated costs of turnover include other factors such as a drop in productivity. Therefore, retention is perceived to be top priority for one-fifth of HR professionals and top leadership, and almost a quarter (23%) of line managers. It is reportedly at least a top-three priority for a majority of top leaders, line managers, and HR professionals, according to our responding HR professionals. Moreover, there's a virtual consensus that retention is at least somewhere among the top 10 most important issues, with 85% or more of respondents saying that.



Editor's Note: In the original data, about 6% of respondents stated that they "don't know." We removed those responses and recalculated them, so this only shows the percentages of those who answered the question.



Employee retention is among the top three priorities for three-fifths of top leadership



Finding: Employee retention is the top most priority for over a third of HR professionals in leader organizations

Results of Chi-square Test

A chi-square test of independence shows that HR professionals and line managers in employee retention leaders are significantly more likely than retention chasers to say employee retention is their top priority.

HR professionals and line managers in retention leader organizations place a significantly greater emphasis on employee retention than they do in chaser organizations, as per our responding HR professionals. One-third of the HR fraternity and over a quarter of line managers in retention leader organizations are perceived to place employee retention as their top priority compared to under a fifth of these work groups in chaser organizations.



HR professionals in chaser organizations believe only 13% of line managers think of retention as the top most priority



Finding: Seven in 10 respondents cite increasing employee engagement and satisfaction as top retention goals

We asked respondents what their top five retention goals are. The top spot on that list, chosen by seven in 10 respondents, is increasing employee engagement and satisfaction. Engaged employees have [a higher level of commitment](#) to organizations and are therefore more likely to stay. This has been among the most popular goals of retention strategies over the last two years of our study.

Among other top goals, chosen by about half or more of the respondents, are increasing performance/productivity, and reducing voluntary turnover rates. This substantiates another finding from our survey (discussed later in the report) that loss of productivity has a negative impact on organizations. Just under half also aim to preserve organizational knowledge and reduce stress due to burnout and work overload.

While a third of respondents say the goal of employee retention initiatives in their organizations is to improve DEIB last year, this goal has dropped in popularity, with just a quarter saying that it is an important goal of their retention strategies.



Of the following goals of employee retention strategies, which five do you believe are most important for your organization? (select up to five)



Over two-fifths aim to reduce costs associated with new hiring and training through retention strategies

HRRI Strategic Recommendations

Organizations can benefit from a more mature and prioritized retention function. Following are recommendations based on our research:

- Introduce formal retention programs with clear goals, metrics, and employee feedback mechanisms to make retention efforts more consistent.
- Align priorities with top leadership. Present data that ties retention to business outcomes to gain their buy-in.
- Engage line managers in retention initiatives. Provide tools and training to help managers identify at-risk employees and address their needs proactively.
- Set clear retention goals. Encourage leadership and line managers to establish clear, measurable retention goals as part of their performance metrics. Track these goals consistently to create accountability across the organization.
- Introduce broader retention strategies. Consider incorporating career development, workplace culture, and well-being programs to create a more holistic retention strategy.



Retention Measurement Methods and Turnover Rates



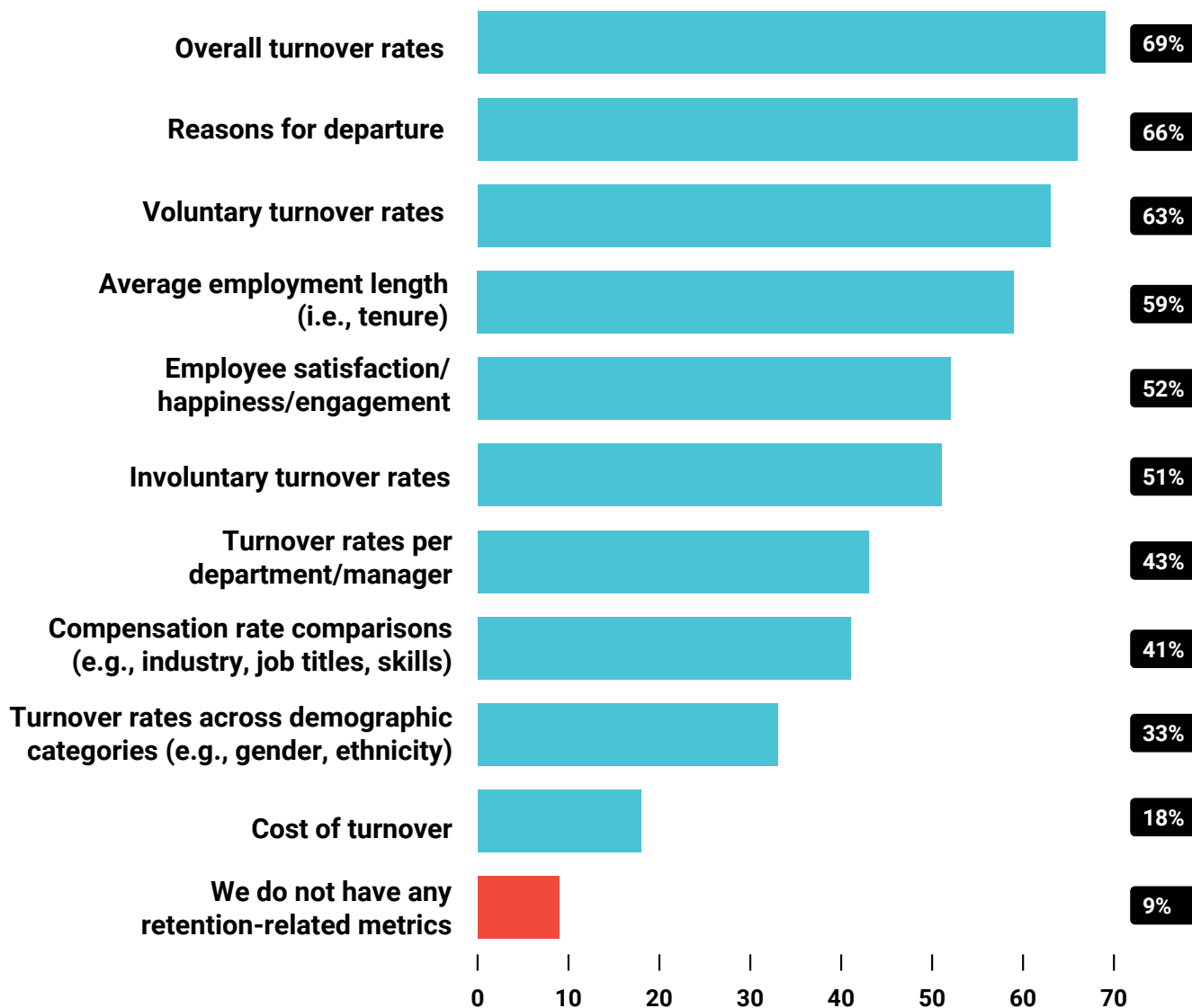
Finding: Seven in 10 organizations measure/track overall turnover rates

Retention-related metrics help organizations track employee attitudes and causes of turnover. They also help organizations benchmark their retention efforts and measure improvements. Metrics also help organizations see the links between retention and larger business goals.

Three metrics are measured/tracked by over three-fifths of organizations—overall turnover rates (69%), reasons for departure (66%), and voluntary turnover rates (52%). These have remained the most popular retention metrics from last year.



Which of the following retention-related metrics does your organization measure/track? (select all that apply)



A tenth of organizations do not have any retention-related metrics

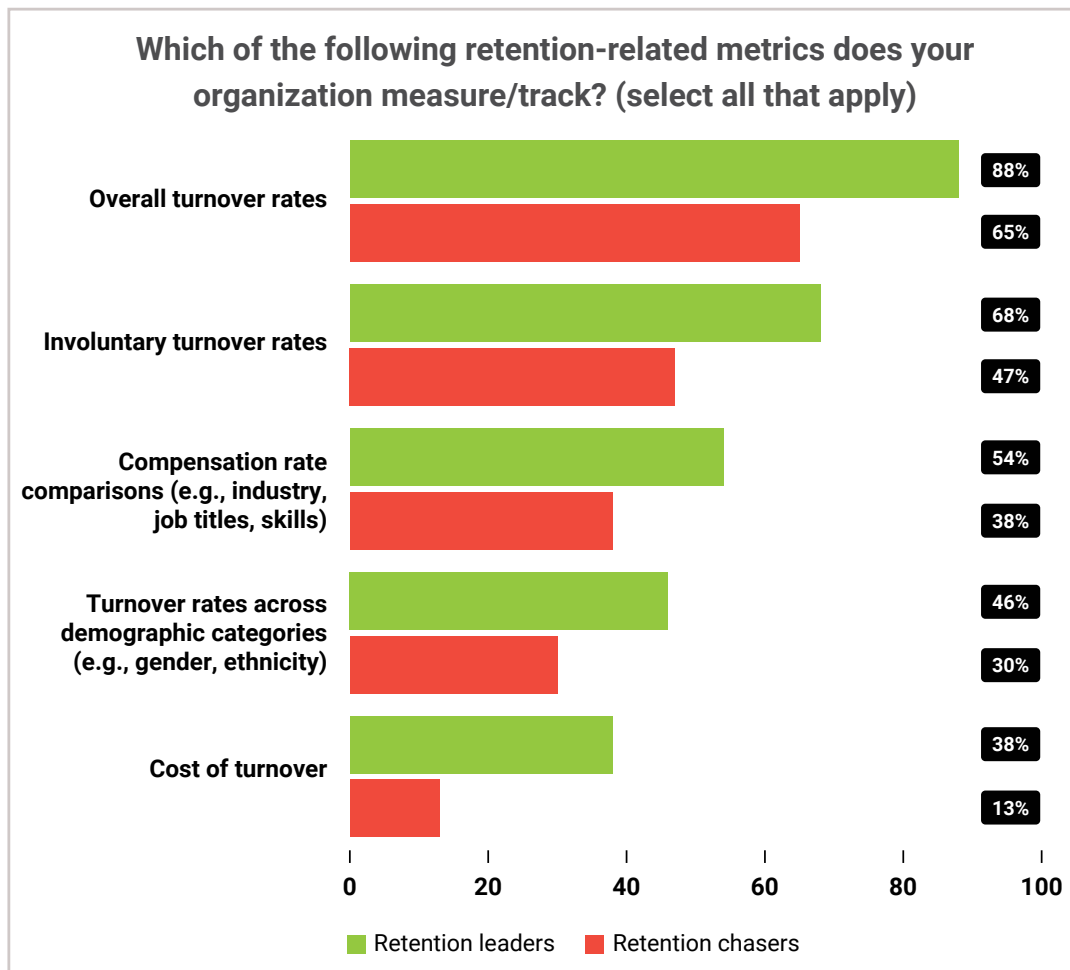


Finding: A clear majority of retention leaders measure overall turnover rates

Retention leaders measure/track retention-related metrics to a much greater degree than do retention chasers. Almost nine in 10 leaders measure overall turnover rates compared to two-thirds of chasers, and seven in 10 retention leaders measure involuntary turnover rates compared to under half of chasers.

Results of Chi-square Test

A chi-square test of independence shows that retention leaders are significantly more likely than retention chaser organizations to measure/track all listed retention metrics.

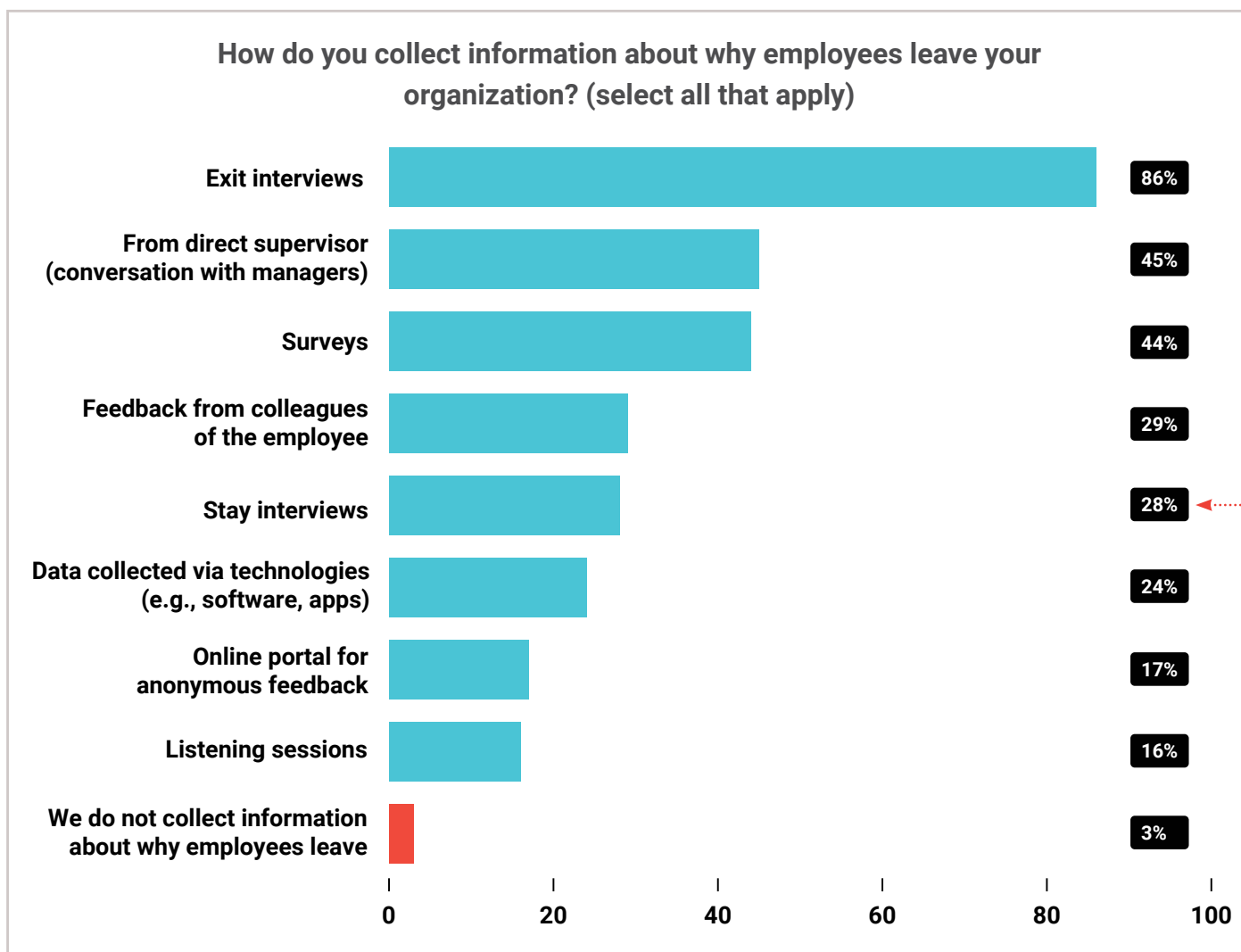


HRRI Strategic Insight: The increased use of metrics by retention leaders helps track turnover rates, reasons for leaving, and employee satisfaction levels. Analyzing these trends helps identify patterns that may indicate underlying issues affecting retention. Metrics allow organizations to assess the impact of different retention initiatives, such as training programs, compensation changes, or wellness benefits. This evaluation helps refine and optimize strategies to better meet employee needs and garner top leadership support.



Finding: The majority of organizations rely on exit interviews to collect information about why employees leave organizations

Despite numerous ways to gauge why employees leave organizations, exit interviews remain the most popular method, utilized by more than eight in 10 organizations. Just over two-fifths rely on information from direct supervisors and surveys.



Over a quarter of organizations collect information about why employees leave through stay interviews



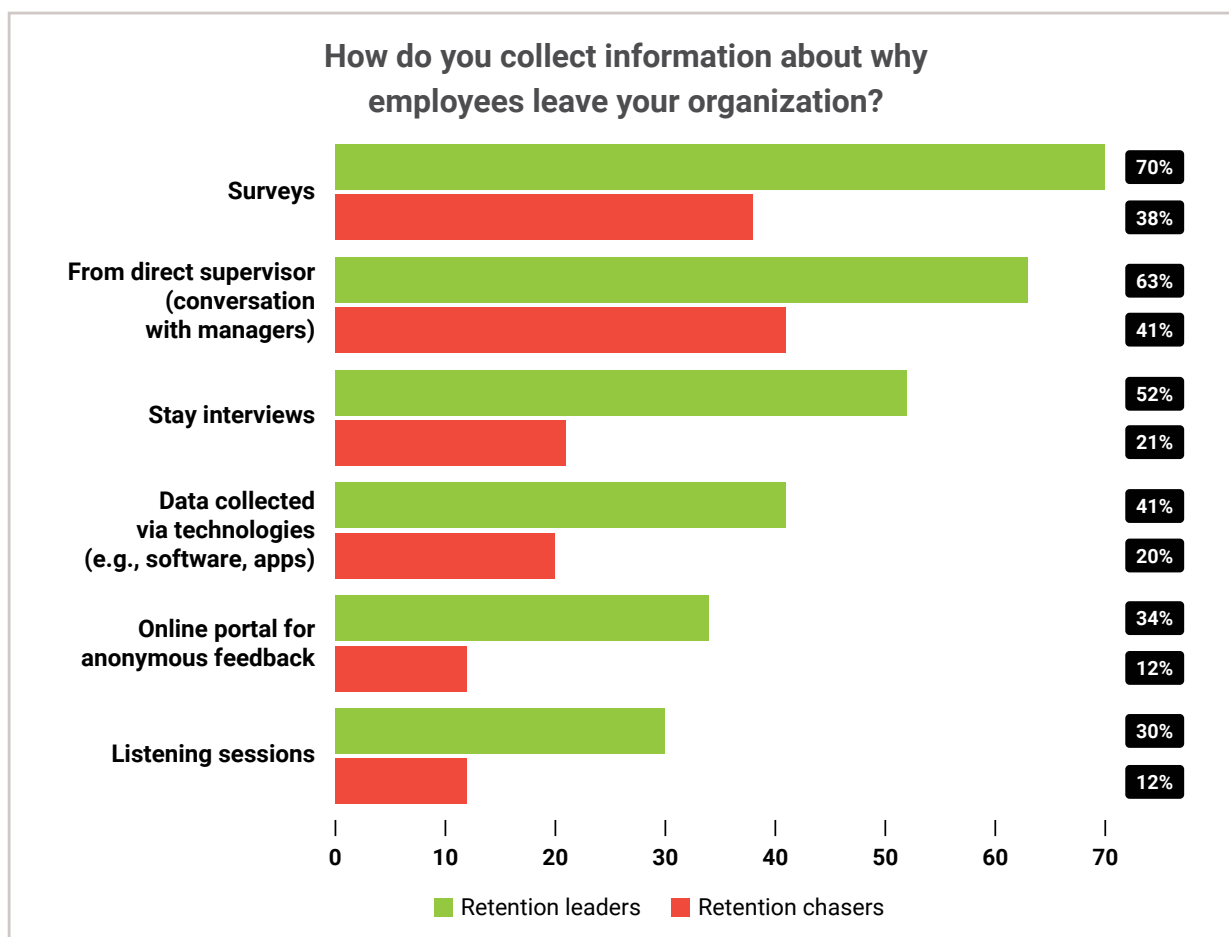
Finding: Retention leaders are more likely than chasers to use a variety of methodologies to collect information about why employees leave

Results of Chi-square Test

A chi-square test of independence shows that retention leaders are significantly more likely than chaser organizations to collect information from all listed sources of data.

Retention leaders are more likely to collect information from various sources about why employees leave. While exit interviews are popular among both cohorts as a source of information, leaders utilize many other sources of data when it comes to retention.

Seven in 10 leaders use surveys and three-fifths collect data from direct supervisors. These ways can capture employee discontent and aid organizations in taking proactive actions to prevent turnover. Further, stay interviews, online portals for anonymous feedback, and listening sessions allow employees to provide feedback and improve their sense of being heard. This can [enhance commitment](#) and reduce turnover.





Finding: Over a quarter of organizations report a voluntary turnover rate of 20% or higher over the past 12 months

For the purpose of this report, large organizations have 1,000 or more employees, mid-sized organizations have 100 to 999 employees, and small organizations have 99 or fewer employees.

A direct measure of the success of an organization's efforts toward employee retention is the rate of voluntary turnover. The results of our study show that over a quarter of organizations (28%) have a voluntary turnover rate of 20% or higher.

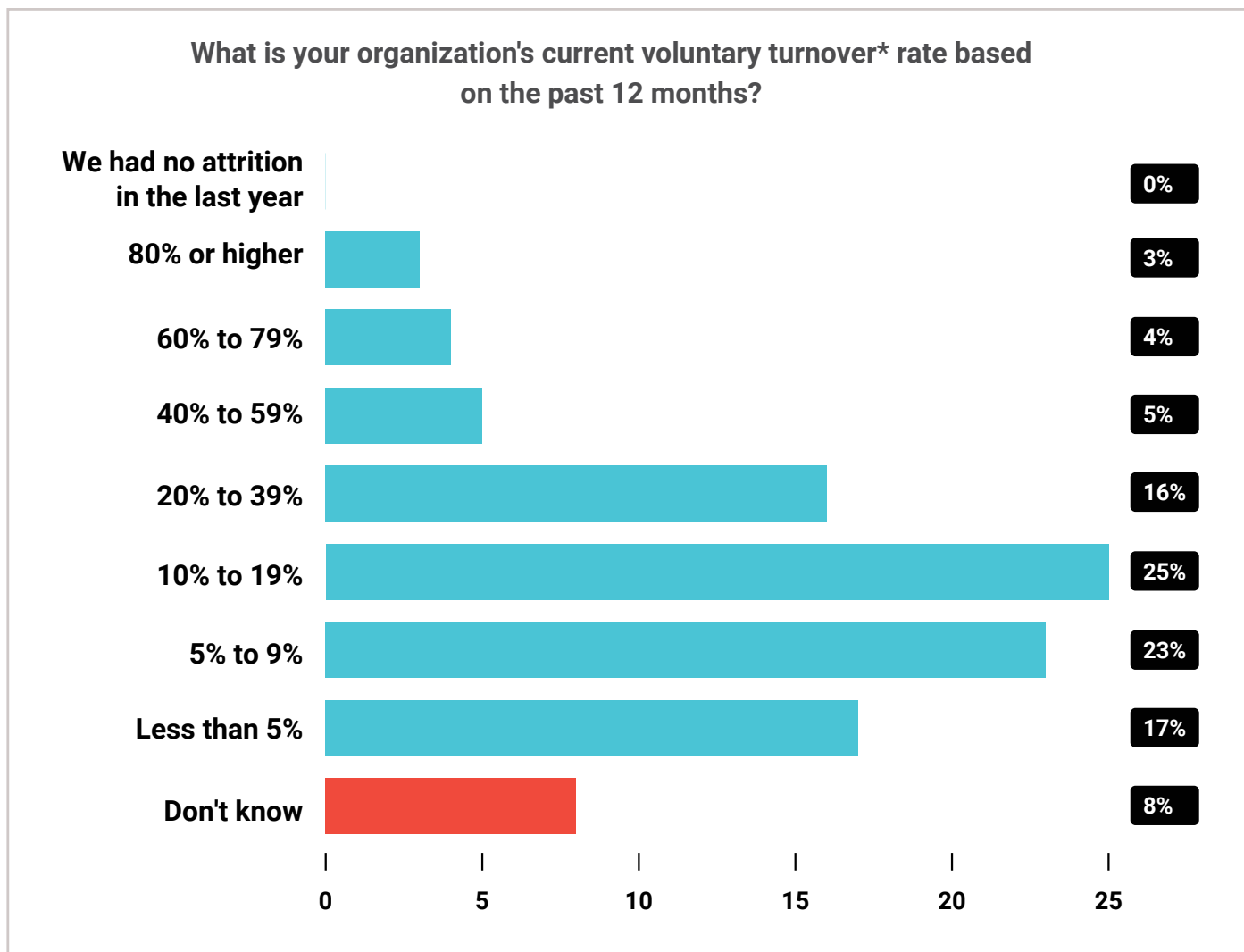
This is a drop from the two-fifths of respondents who said the same in last year's research. Subsequently, a higher proportion (40%) report a voluntary turnover of nine percent or lower compared to 2023.

Still, we find it concerning that 8% of HR professionals say they don't know the voluntary turnover rates in their organization, indicating a lack of emphasis on retention metrics, an issue that will be discussed later in the report.

Differences based on organizational size

Small organizations (62%) are much more likely to have a voluntary turnover rate of nine percent or below compared to mid-size (37%) and large (24%) organizations.





Note: *Voluntary turnover occurs when employees choose to leave an organization

Leader/chaser difference

The higher the maturity level of employee retention approaches, the more statistically likely firms are to have lower voluntary retention rates. Our study notes that 61% of leader organizations have voluntary turnover rates of nine percent or below, compared to 39% of chasers who say the same.

HRRI Strategic Recommendations

To leverage metrics for improving retention, we have some suggestions.

- Consider expanding your metrics to include those that are less commonly tracked, such as turnover rates across demographic categories or cost of turnover.
- Focus on detailed turnover analysis. Identifying high-turnover departments or managers, for instance, can help target specific issues and improve retention strategies.
- Ensure exit interviews are thorough and structured. Analyze the feedback systematically to identify common reasons for departure and address recurring issues.
- Conduct regular stay interviews to proactively address issues before they lead to turnover. Use these interviews to gauge employee satisfaction and retain top talent.
- Use listening sessions and anonymous feedback to gather direct feedback from employees about their experiences and reasons for leaving.
- Train managers to gather detailed and actionable feedback to better understand the reasons behind employee departures.



Retention: Impacting Factors



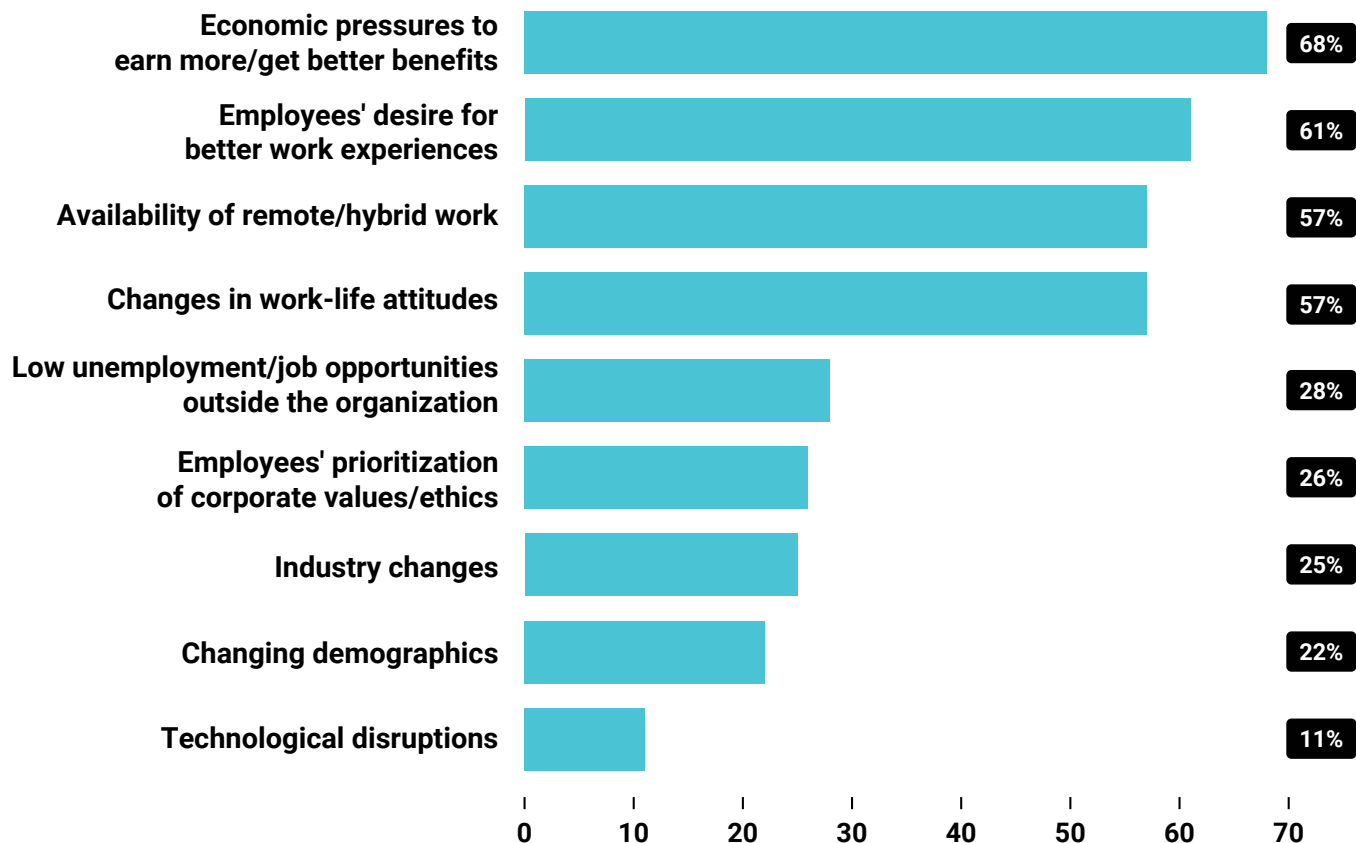
Finding: Over two-thirds of organizations believe economic pressures to earn more/get better benefits have a considerable impact on employee retention

What external factors drive employee retention? Economic pressures to earn more/get better benefits top this list, chosen by 68% of respondents. With overall wages [increasing](#) more than inflation in the U.S., and [more job openings](#) than people to fill them, a better-paying job is more available to some employees.

But money isn't the only deciding factor. Three-fifths of respondents say that employees quit for better work experiences. This factor has figured in the top three drivers of turnover over the past two years, highlighting the importance of building a positive work culture and creating good employee work experiences. More than half also believe the availability of remote/hybrid work, and change in work-life attitudes play a part in employee retention. The availability of remote/hybrid work allows employees to take advantage of opportunities across the globe, thereby opening up a plethora of previously unavailable opportunities to employees, [leading to higher turnover](#).



Which five trends have the greatest impact on employee retention in your organization? (select up to five)



**Over a quarter believe low unemployment/
job opportunities outside the organization
impact employee retention**



Finding: Three-fourths of respondents believe one of the negative impacts of employee turnover is the increase in workloads of remaining employees

What are the negative impacts of employee turnover? The most widely cited impact is an increased workload (75%), which ironically affects employees who stay. This often leads to the second most widely reported effect—lower morale among remaining employees (56%). The latter can trigger additional resignations. These were the top two consequences of employee turnover identified in last year's research on this topic.

There is, of course, an associated loss in productivity/performance (53%) as well as a related loss of key employee skills (46%) and business knowledge. At least one source estimates that companies in the United States lose a [trillion dollars a year to employee turnover](#). Replacing an employee can sometimes cost three to four times an employee's annual salary. A mere 2% indicate that their organizations feel no impact from turnover.



Of the following effects of employee turnover, which five do you believe most negatively impact your organization? (select up to five)



Two-fifths say turnover increases recruitment needs

HRRI Strategic Recommendations

Based on our research, consider the following suggestions:

- To address increased workloads for remaining employees, focus on redistributing tasks effectively or hiring quickly to avoid burnout.
- Implement morale-boosting activities, such as team-building, open communication, and mental health support to address lower morale among remaining employees.
- Implement structured onboarding and upskilling to keep performance levels steady during transitions.
- Establish a continuous talent pipeline through initiatives like internal mobility programs, employee referrals, and stronger employer branding to reduce time-to-fill.

Turnover Drivers and Retention Strategies



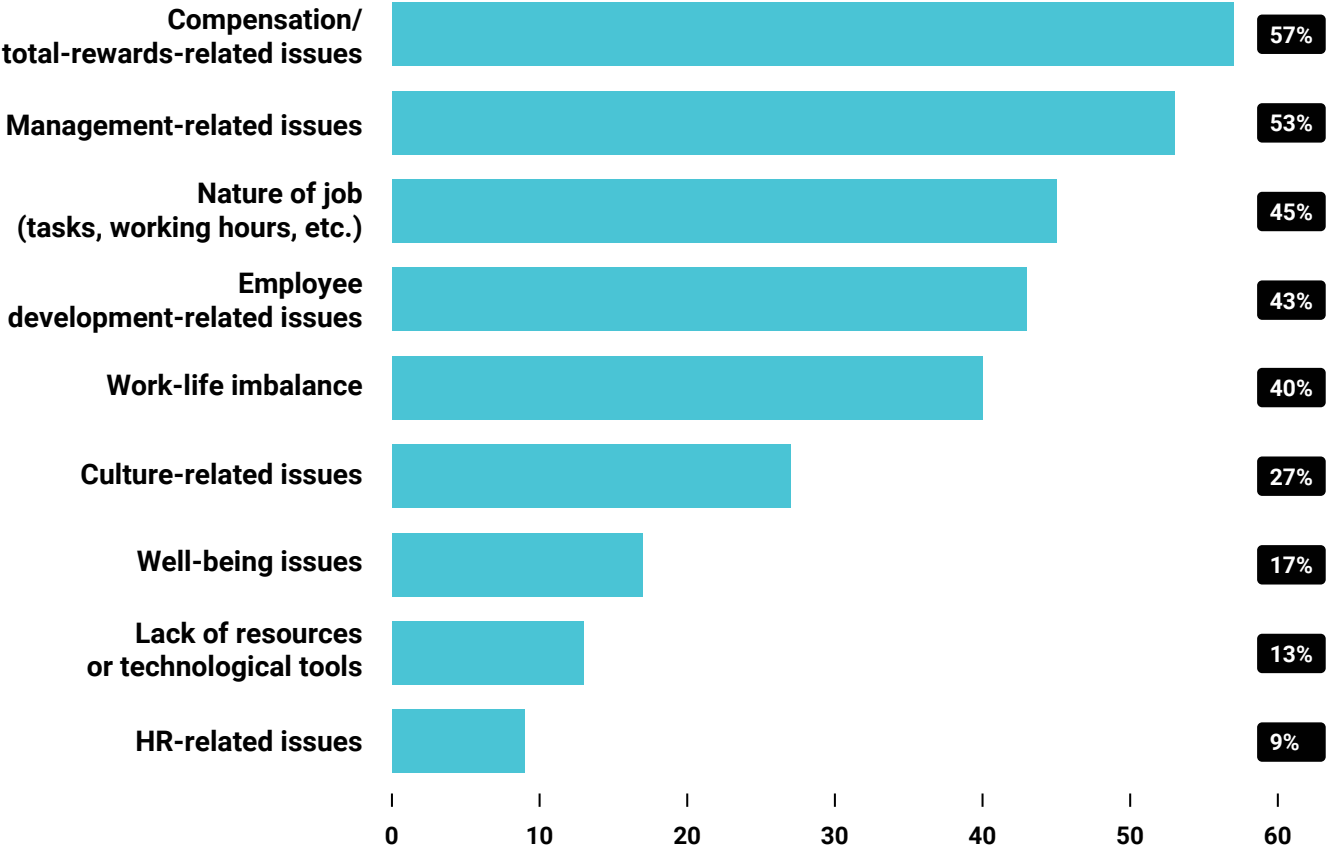
Finding: Compensation/total-rewards-related issues are the top internal driver of employee turnover

Compensation/total-rewards-related issues (57%) are cited to be the top drivers of employee turnover within organizations. Management-related issues, identified as the top factor in last year's research, follow as a close second with over half of respondents citing them. These could include a wide range of issues such as toxic leadership, inconsistent practices and policies, poor decision-making, bias and discrimination, and disregard for employee well-being, etc.

Other job-related factors include the nature of jobs (tasks, working hours) (45%), and employee-development-related issues (43%) which could influence the employee experience, work-life balance, and employee well-being. Ultimately, the nature of jobs determines how meaningful or not work is to employees and is [thereby related to disengagement and turnover](#).

Later in the report, we will delve deeper into the specifics of these drivers of turnover.

Generally speaking, what do you see as the drivers of employee turnover within your organizations? (select all that apply)



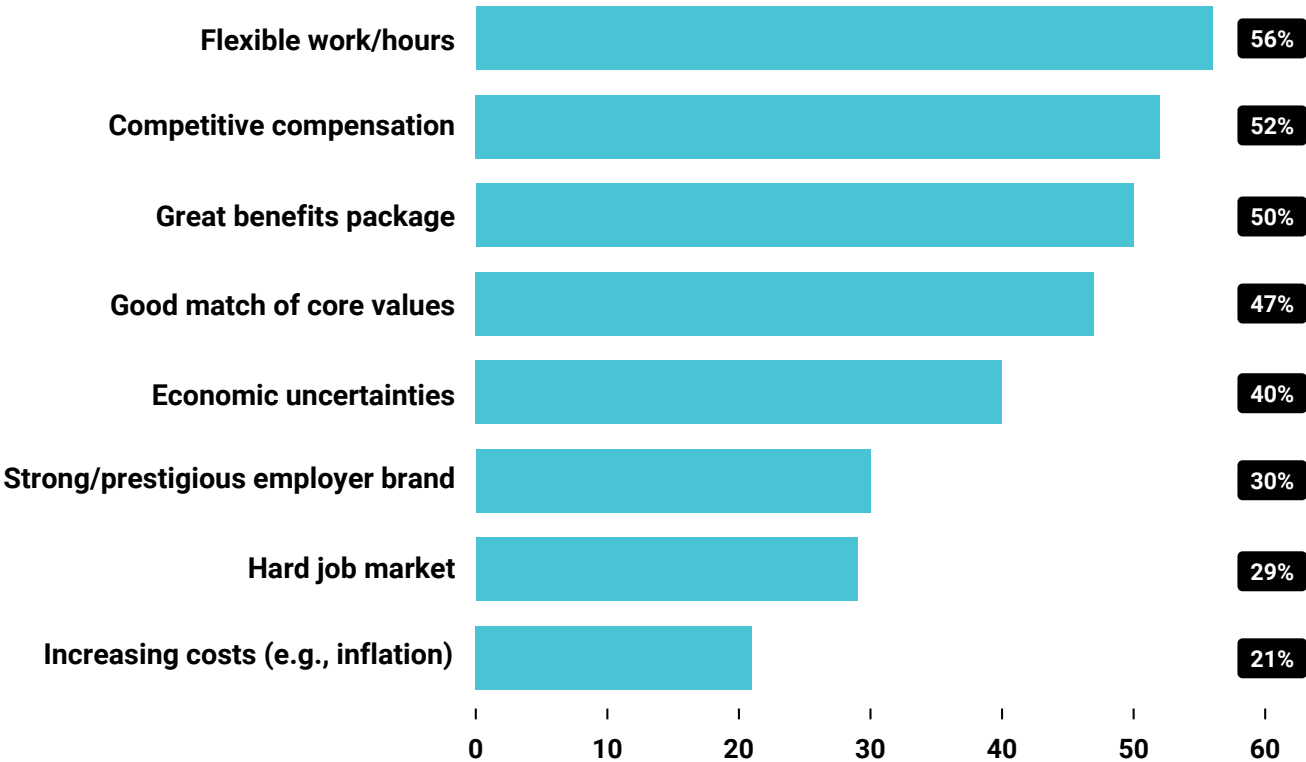
Two-fifths say work-life imbalance drives employee turnover in their organizations



Finding: Flexible work/hours is the top reason for employees to stay

We asked respondents what factors influence employees in their organizations to stay. Flexible work/hours are seen to be an influential factor by almost three-fifths of respondents, indicating that work-life balance and employee experience cannot be overlooked when designing retention strategies. Other top factors are competitive compensation (52%) and a great benefits package (50%).

Of the following reasons, which do you believe are most influential for the employees of your organization to stay? (select all that apply)



47% say a good match of core values influences employees to stay



Finding: Two-thirds of retention leaders say flexible work/hours influence employees in their organization to stay

Retention leaders are more likely than chasers to view factors such as flexible work/hours, benefits, and strong/prestigious employer brand as influential in helping employees stay.

This may be because leader organizations offer these factors to a greater degree than chasers do, and may have benefited from the use of effective retention strategies geared at these factors.

Results of Chi-square Test

A chi-square test of independence shows that employee retention leaders are significantly more likely than retention chasers to say flexible work/hours, a great benefits package and a strong employer brand influence employees to stay.

Of the following reasons, which do you believe are most influential for the employees of your organization to stay?



HRRI Strategic Recommendations

- Conduct regular compensation benchmarking and enhance benefits to stay competitive in retaining talent.
- Address management related drivers of turnover. Invest in leadership training and coaching to build effective managers who drive employee satisfaction and retention.
- Design jobs with flexibility and engagement. Offer flexible working hours, redesign job roles, or provide more meaningful tasks to align with employee preferences.
- Enhance the benefits package. Consider investing in comprehensive health, wellness, and retirement plans to retain top talent.
- Invest in employer branding to attract and retain top talent by showcasing company culture, values, and employee success stories.



Talent- and HR-related Turnover Drivers and Actions



Finding: Two-thirds of respondents believe lack of proper managerial training is responsible for employee turnover

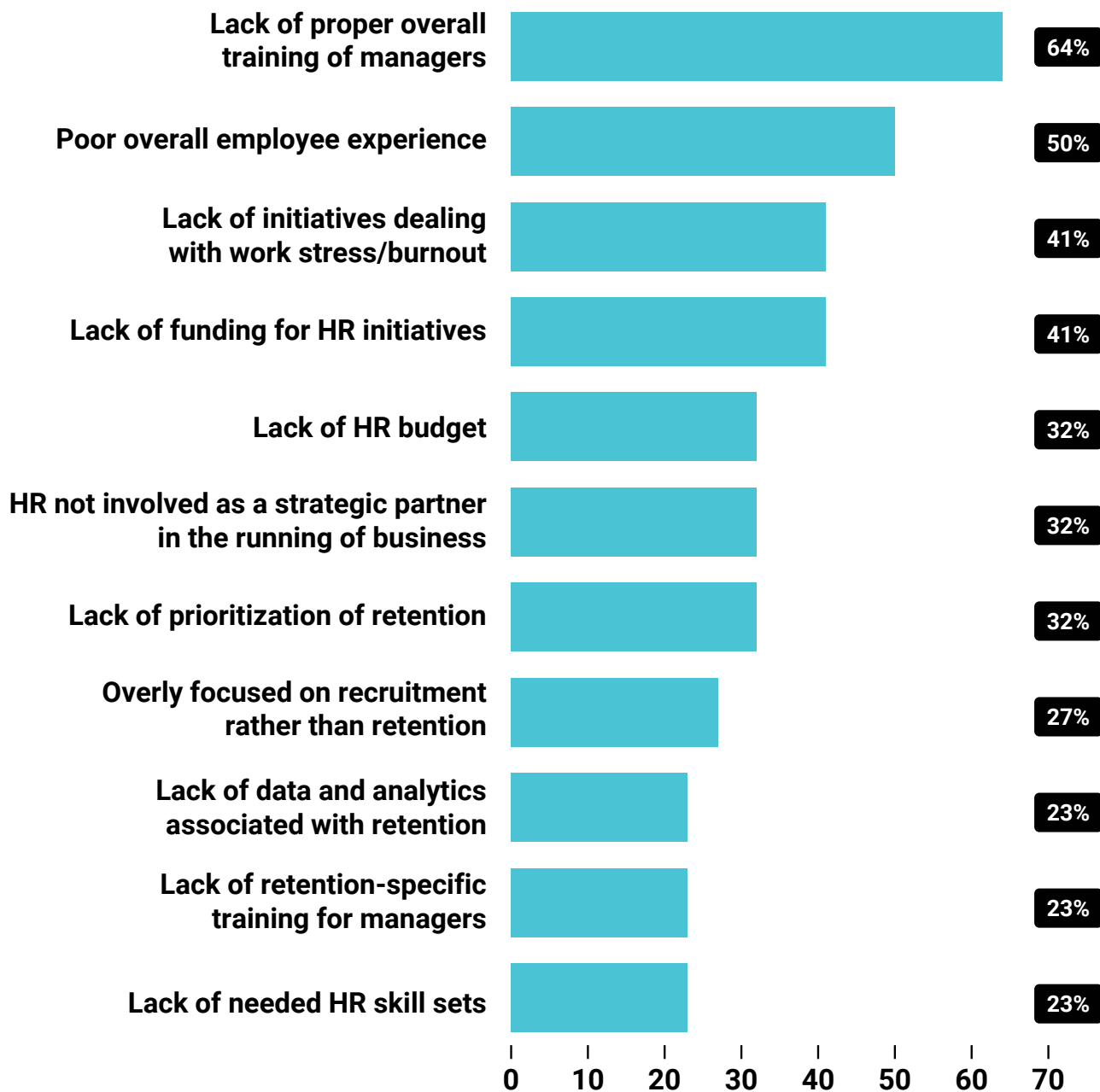
We asked a follow-up question to respondents who said that their organizations' HR-related issues drive employee turnover. We found that the most commonly cited HR issues are:

- lack of proper overall training of managers
- poor overall employee experience
- lack of initiatives dealing with work stress/burnout
- lack of funding for HR initiatives

The top two factors have remained the same in last year's research as well. These issues stem from HR not receiving sufficient buy-in from top leadership leading to support for HR initiatives.



Of the following HR-related issues, which five do you believe are most responsible for employee turnover in your organization?
(select up to five)



**Lack of HR budget
drives turnover in a
third of organizations**

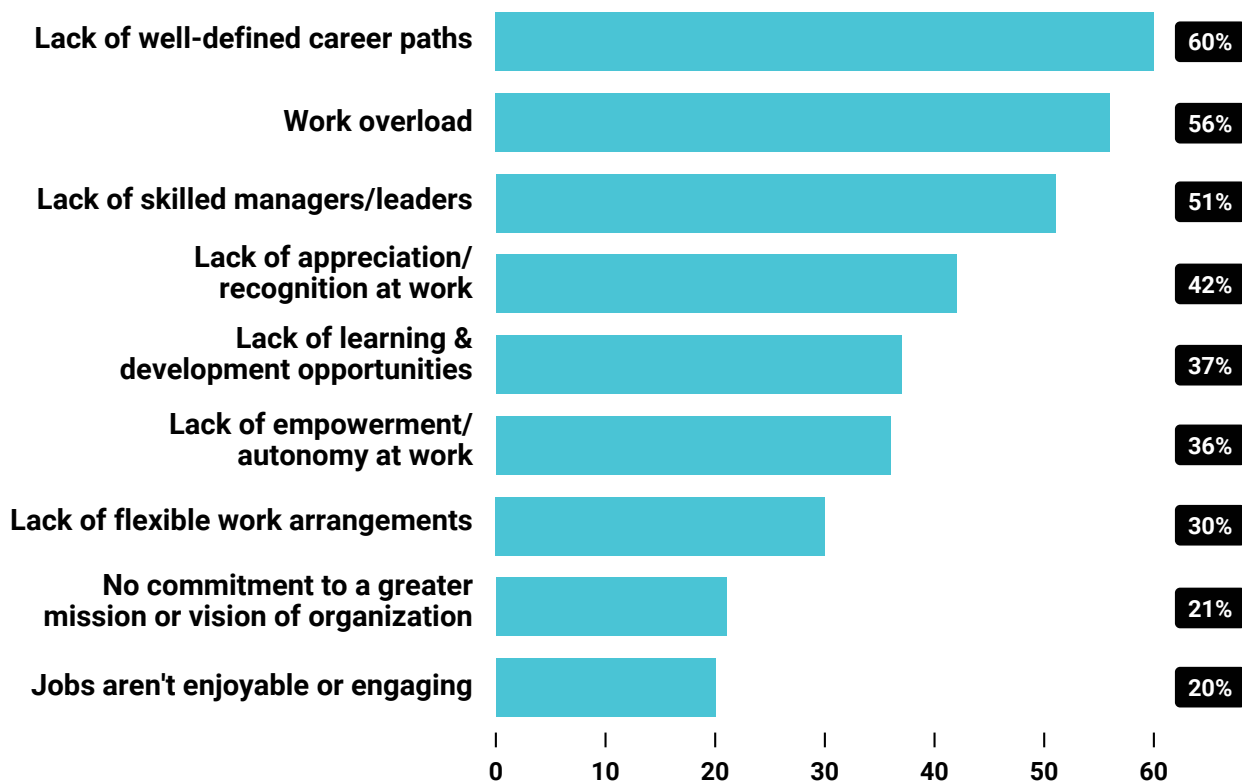


Finding: Six in 10 organizations believe a lack of well-defined career paths leads to employee turnover

We also asked a follow-up question to respondents who said that their organizations' talent-management-related issues drive employee turnover. Among the talent-management-related issues, three-fifths say a lack of well-defined career paths drives employee turnover. This is natural since employees may not see a future in an organization without a career path.

Employees are also likely to leave due to work overload (56%) which impacts their lives both in and out of the workplace. These factors depend on well-tailored policies at work and skilled managers/leaders (51%).

Of the following talent-management-related issues, which five do you believe are most responsible for employee turnover in your organization? (select up to five)



Lack of appreciation/recognition at work drives turnover in over two-fifths of organizations



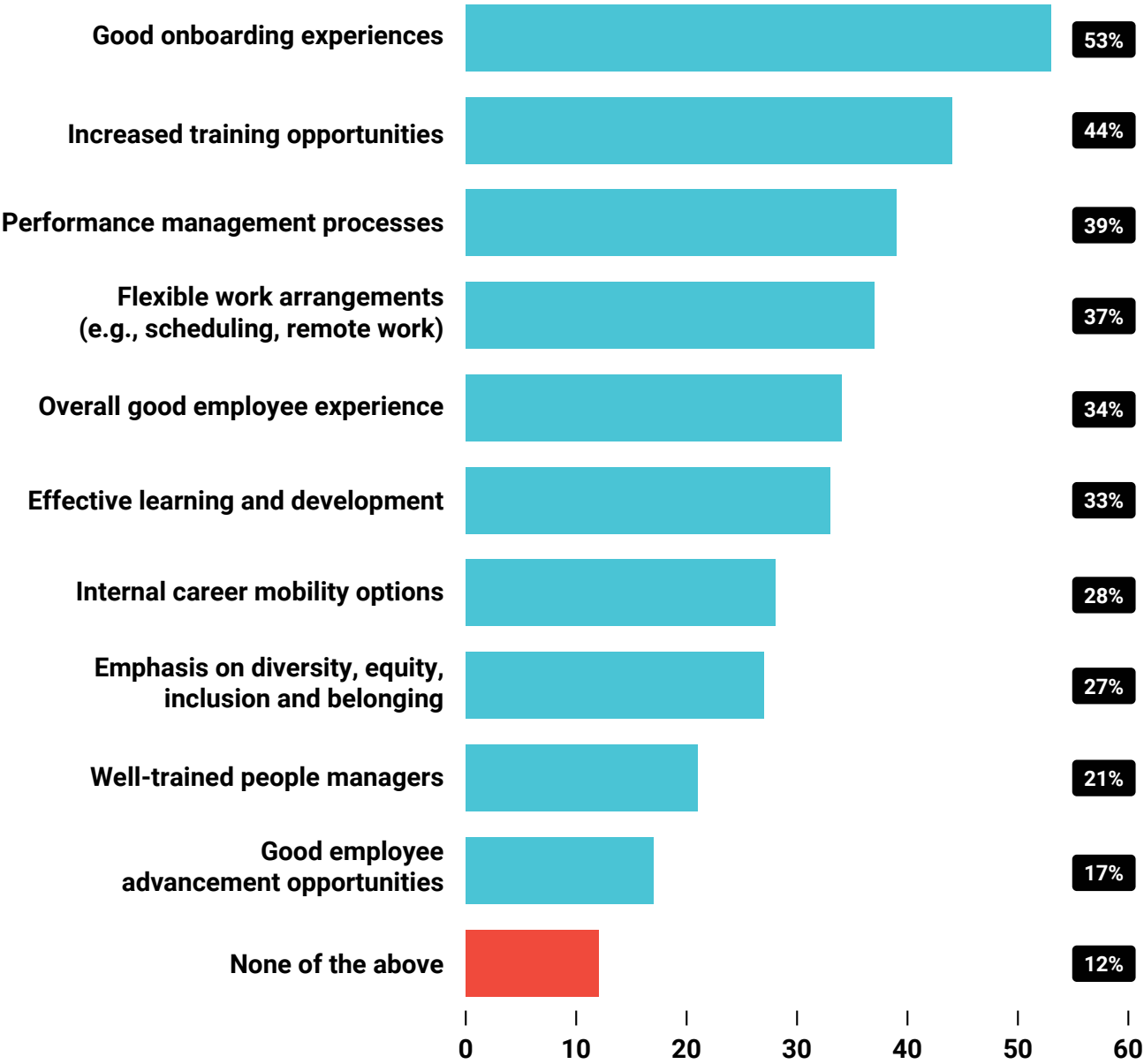
Finding: Over half of organizations have focused on good onboarding experiences to improve employee retention

So, what can organizations do to deal with the various issues identified over the last few findings? Over half rely on good onboarding experiences (53%) to counter the issues. Employee experience begins at recruitment, and onboarding is crucial to an employee's successful placement in the organization. When new employees join an organization, they are expected to integrate and become productive as quickly as possible in addition to completing a variety of onboarding formalities. This is a stressful time that can make or break an employee's perception of the organization's culture and environment.

Further, increased training opportunities are seen to be beneficial by over two-fifths of respondents (44%). Training opportunities allow employees to remain skilled and up-to-date with developments in their field. This can be seen as an incentive to stay with the organization and help in career development.



Over the last year, which of the following talent-management-related practices has your organization incorporated to improve employee retention?
(select all that apply)



A third of organizations focus on overall good employee experience to improve retention



Finding: Retention leaders are twice as likely as chasers to improve overall employee experience to improve employee retention

Results of Chi-square Test

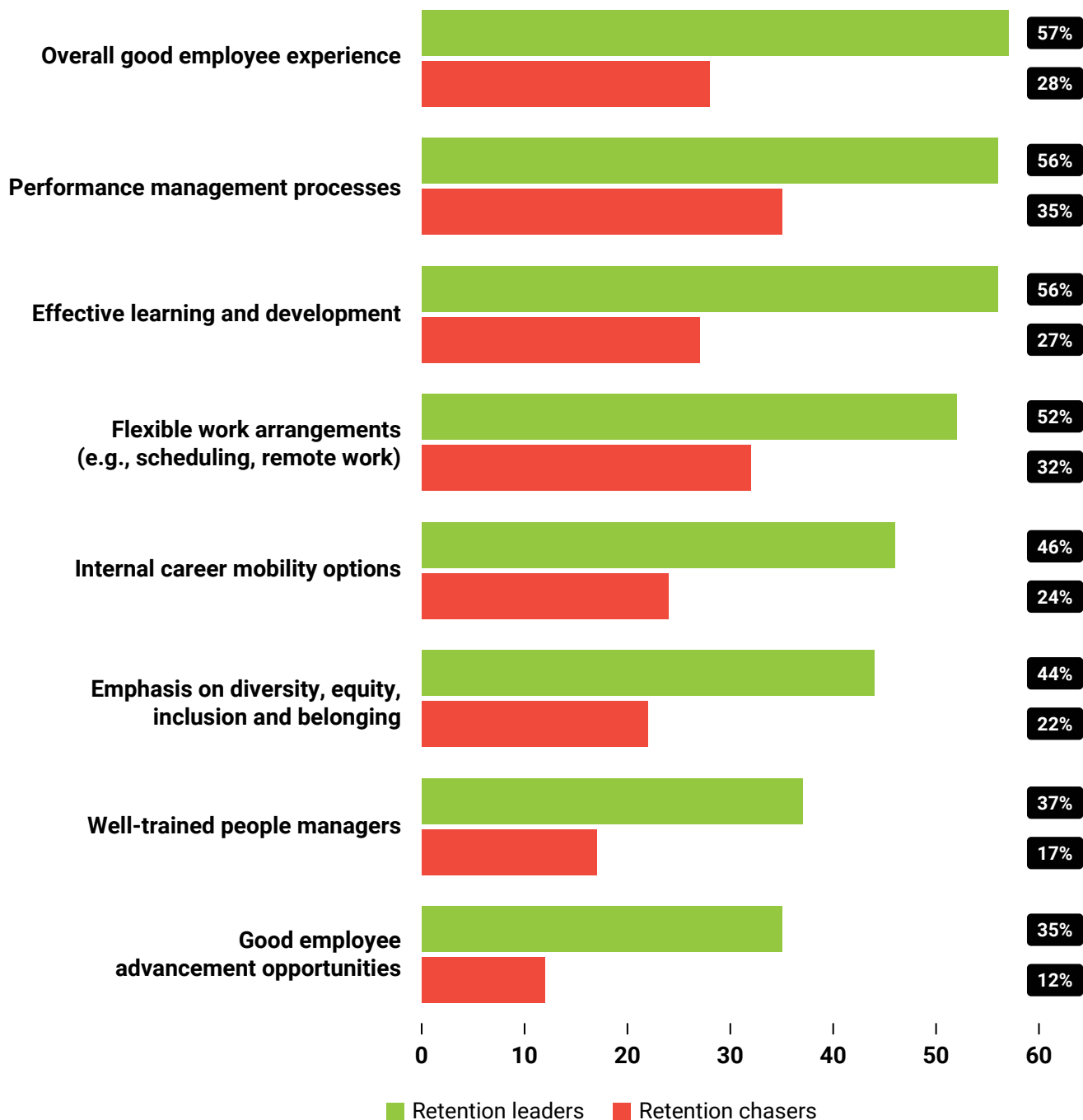
A chi-square test of independence shows that retention leaders are significantly more likely than chasers to offer all listed talent management practices to improve retention.

Retention leaders are significantly more likely than chasers to offer a variety of talent management practices. Leaders are twice as likely to offer overall good employee experience, effective L&D, internal career mobility options, and importance to DEIB. They are three times as likely to offer good employee advancement opportunities.

Overall, leader organizations make more efforts to create a positive, inclusive work environment, and provide opportunities for learning and growth that incentivize employees to stay.



Over the last year, which of the following talent-management-related practices has your organization incorporated to improve employee retention?



Over two-fifths of leaders increase focus on DEIB to improve retention

HRRI Strategic Recommendations

Based on our research, consider the following talent- and HR-related suggestions maximize retention.

- Invest in programs that equip managers with skills to handle employee concerns, foster positive work environments, and support retention strategies.
- Get top leadership buy-in and an adequate budget by aligning retention strategies with organizational goals.
- Create clear career progression pathways to retain top performers.
- Prioritize the types of DEIB programs to create an inclusive workplace that retains diverse talent.
- Encourage employees to explore new roles within the company to keep them engaged and reduce turnover.
- Implement flexible scheduling and remote work policies to meet employee expectations.
- Prioritize continuous employee training to enhance skills and keep employees motivated.
- Create a positive and supportive work environment to keep employees satisfied and engaged.



Culture-driven Turnover and Effective Strategies



Finding: Among the culture-related factors driving employee turnover, managerial issues find the top spot

We also asked a follow-up question to respondents who said that their organizations' culture-related issues are among the drivers of employee turnover. The most widely cited culture-related issues driving employee turnover are managerial (e.g., lack of fairness, skills, or support) (66%), followed by poor communication (60%). These may be interrelated since poor communication may lead to perceptions of unfairness and a lack of support, etc.

Poor leadership (51%) can result in a toxic culture (49%) that fosters unfairness and lack of transparency. These factors, therefore, require a total overhaul of the culture to one that prioritizes employee experience and retention.



Of the following culture-related issues, which five do you believe are most responsible for employee turnover in your organization? (select up to five)



Poor leadership drives turnover in over half of organizations

Leader/chaser difference

Culture-related factors driving employee turnover is more likely to occur in chaser organizations than in leader organizations. Statistically significant differences are observed in the influence of poor communication (66% in chasers vs. 47% in leaders), and poor leadership (54% in chasers vs. 40% in leaders) on retention.



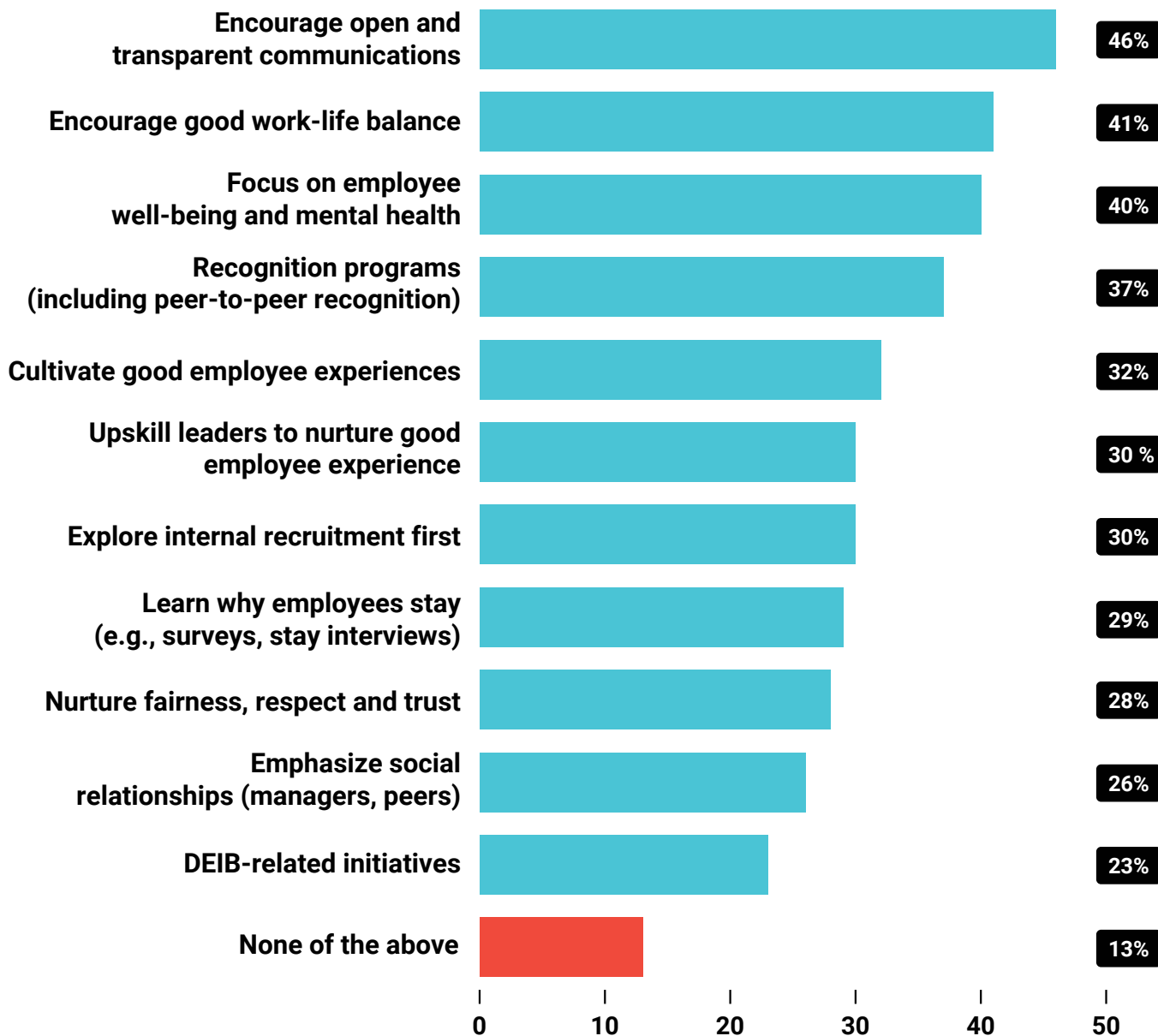
Finding: Almost half of organizations encourage open and transparent communications to improve employee retention

How do organizations improve their culture to lead to better employee retention? The most popular methods are to encourage open and transparent communications (46%), encourage good work-life balance (41%), and focus on employee well-being and mental health (40%). These were the top factors chosen in last year's research as well, indicating the long-term utility of focusing on these issues.

Open and transparent communication can help employees gain a better understanding of the workings of the organization, maximize transparency, and allow employees to communicate their feedback to managers and leaders. Further, when organizations focus on good work-life balance, employee well-being, and mental health, it can show how committed they are to their employees, and in turn, the workforce might be happier and more productive.



Over the last year, which of the following corporate culture-related practices has your organization implemented to improve employee retention? (select all that apply)



Over a third of organizations focus on recognition programs to improve employee retention



Finding: Retention leaders tend to focus on improving employee retention through creating good employee experiences

As a means of improving employee retention, retention leaders are more likely than their chaser counterparts to engage in practices that create a more positive organizational culture.

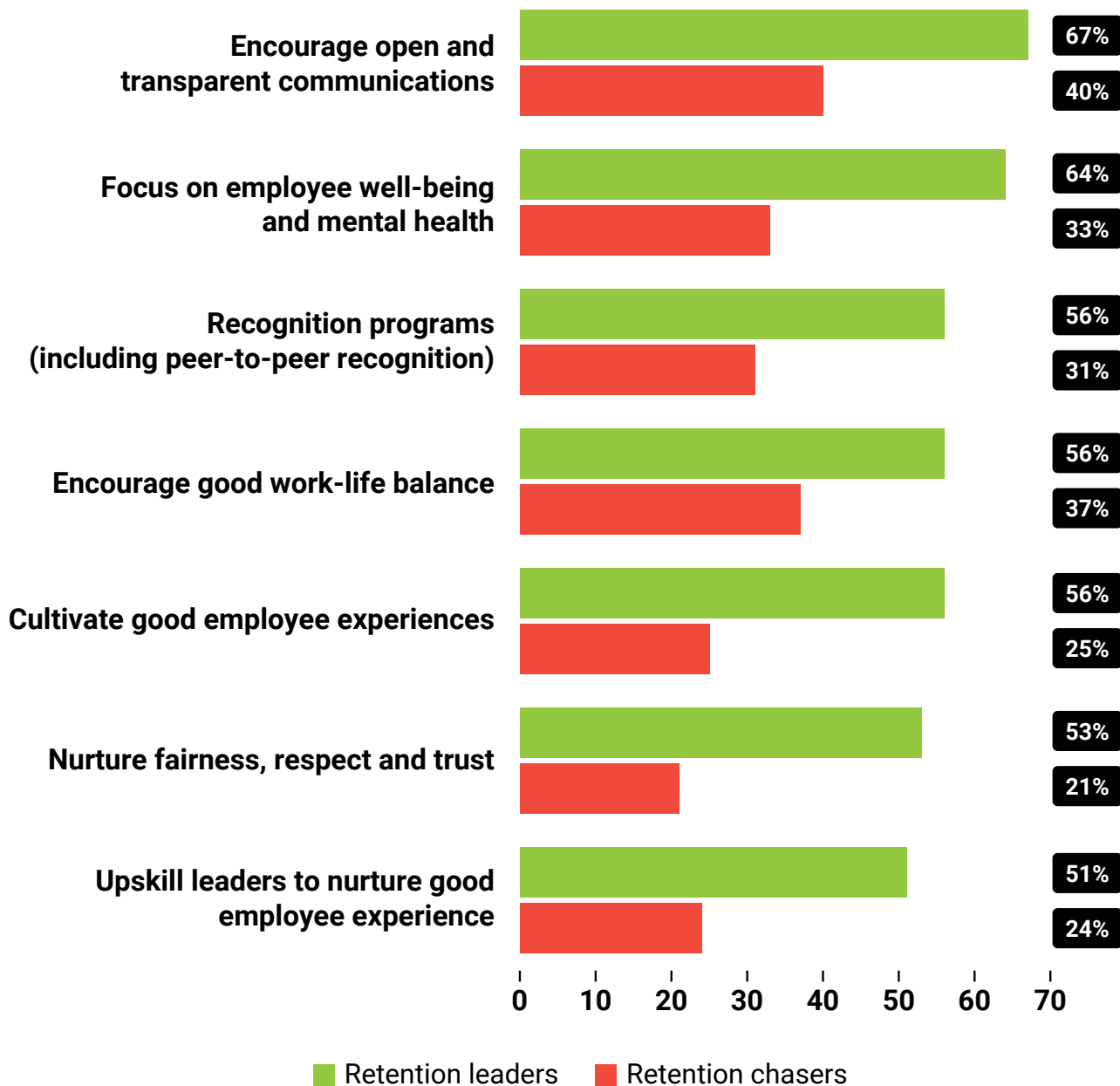
The largest difference (over two times) is observed in two areas—cultivating good employee experiences, and upskilling leaders to nurture good employee experience—both stressing how important workplace experience is in retaining employees.

Results of Chi-square Test

A chi-square test of independence shows that retention leaders are significantly more likely than chasers to employ all listed culture-related practices to improve retention.



Over the last year, which of the following corporate culture-related practices has your organization implemented to improve employee retention?



HRRI Strategic Recommendations

Consider the following suggestions based on our research to improve retention by creating a positive culture.

- Focus on improving managerial skills and fairness. Provide training and support to managers to resolve issues related to leadership, fairness, and employee support.
- Improve communication channels and practices. Foster clear, consistent, and open communication to reduce misunderstandings and build trust.
- Set up or enhance recognition systems. Implement peer-to-peer recognition and reward employees regularly.
- Work on eliminating toxic aspects of the workplace, such as high stress and lack of trust. Promote a healthier work environment through initiatives that address stress and build a supportive culture.
- Implement transparent practices in decision-making and organizational changes. Keep employees informed and involved to build trust and align them with organizational goals.
- Seek continuous feedback from employees. Listen to employees and collect feedback through a variety of channels such as surveys, continuous open feedback channels, ERGs, etc.



Role of Total Rewards in Turnover



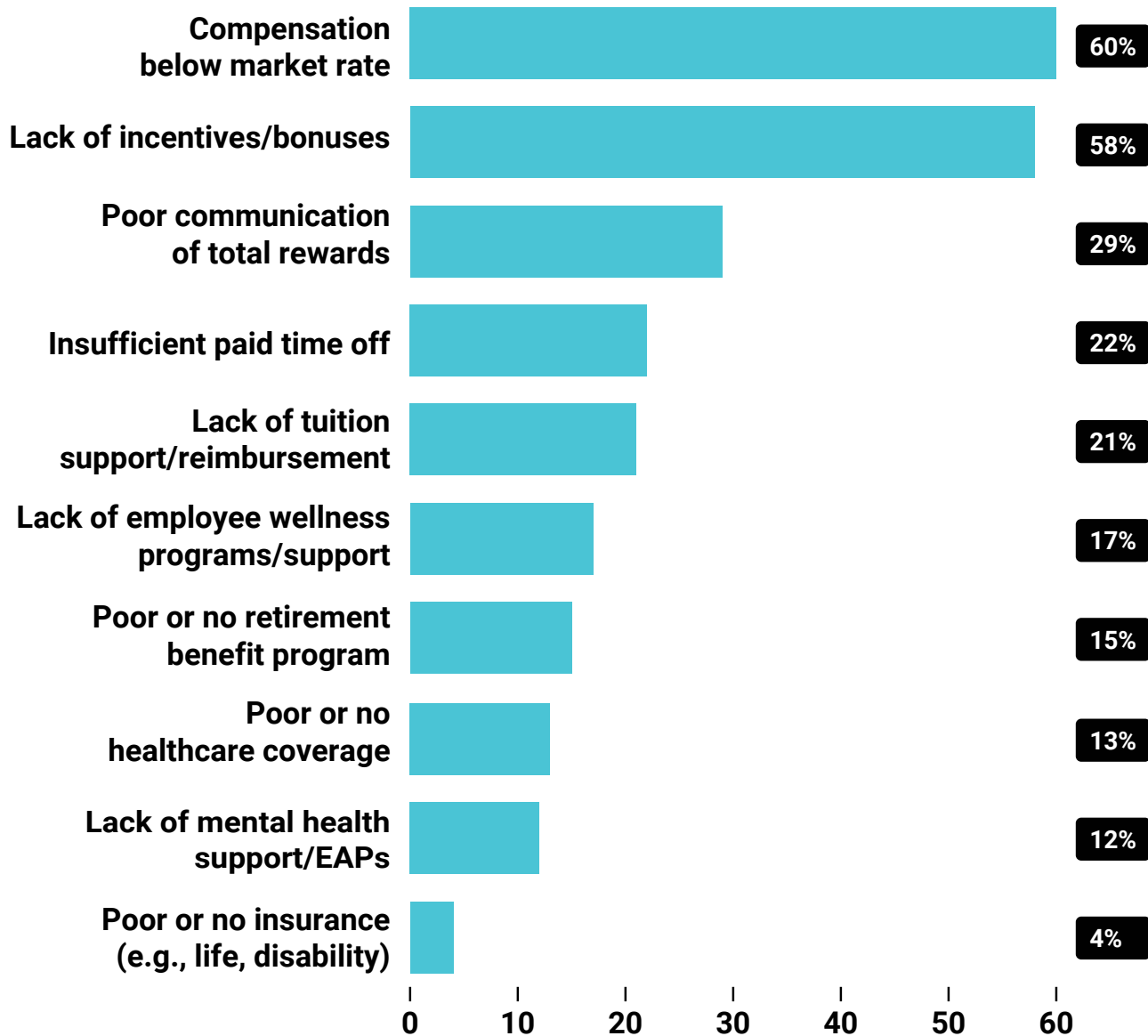
Finding: Three-fifths believe compensation below market rate is a total rewards issue that drives turnover in their organization

We also asked a follow-up question to respondents who said that their organizations' total-reward-related issues are among the drivers of employee turnover. Of those factors listed, compensation that is below market rate is seen to drive turnover in 60% of the organizations. A close second is a lack of incentives/bonuses (58%). These two factors were the top two in the last year's list as well.

Competitive compensation packages help organizations attract and keep top talent, and can lead to greater employee satisfaction, making it more likely for employees to stay. Of course, organizations have their limitations with compensation budgets, especially small organizations or non-profits. Poor communication of total rewards is an issue in 29% of organizations. This is a potentially dangerous issue because employees might misunderstand their overall compensation package.



Over the last year, which of the following corporate culture-related practices has your organization implemented to improve employee retention?



22% say insufficient paid time off drives employee turnover



Finding: Half of organizations have analyzed compensation rates to improve employee retention over the last year

What total-rewards-related actions have organizations taken to improve employee retention levels? Half of organizations have taken the first step by analyzing compensation rates (such as benchmarking studies). This may provide valuable information, such as the competitiveness of existing compensation and uncover deficiencies. Over two-fifths have also taken action by increasing compensation (46%). A third of organizations have focused on other offerings, such as wellness-related benefits.

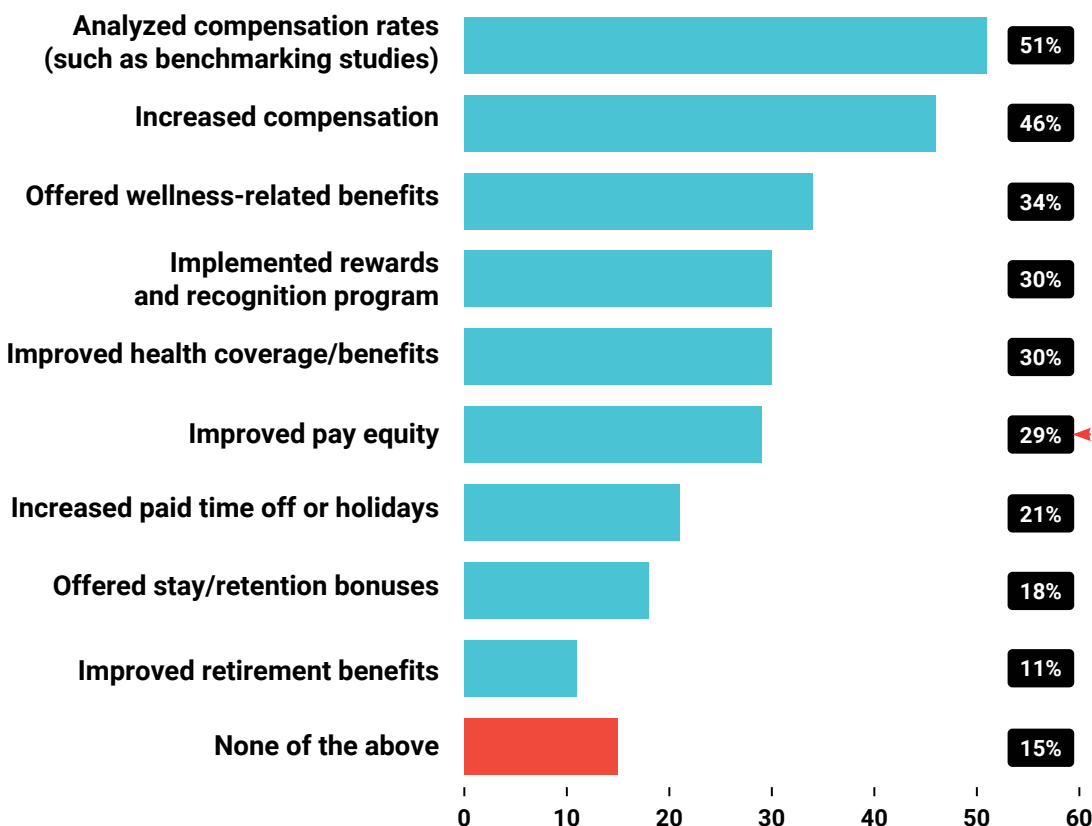
Differences based on organizational size

The top total-rewards-related initiative in small organizations has been to increase compensation rates (58%), whereas the top initiative in midsize (47%) and large (55%) organizations cited was undertaking analysis of compensation rates.



Just 29% have improved pay equity to improve employee retention

Over the last year, which of the following total-rewards-related actions has your organization taken to improve employee retention? (select all that apply)





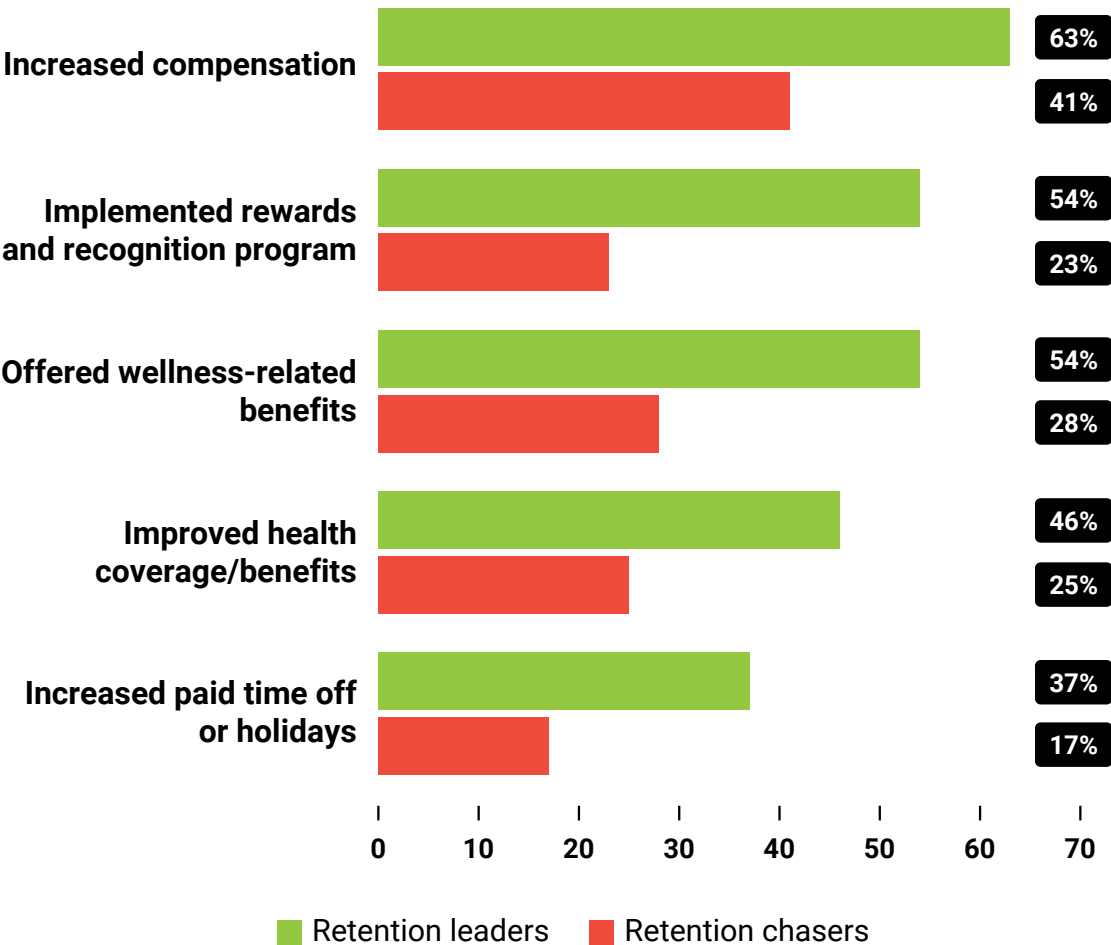
Finding: More than three-fifths of retention leaders have increased compensation rates to improve employee retention

Retention leaders are significantly more likely than chasers to take total rewards-related actions to improve employee retention. In addition to increasing compensation rates (63% vs. 41%), leaders are over twice as likely to implement rewards and recognition programs (54% vs. 23%) and increase paid time off or holidays (37% vs. 17%).

Results of Chi-square Test

A chi-square test of independence shows that retention leaders are significantly more likely than chasers to offer all listed total rewards-related initiatives to improve retention.

Over the last year, which of the following total rewards-related actions has your organization taken to improve employee retention?



HRRI Strategic Recommendations

For organizations aiming to improve retention through total rewards, we have a few suggestions.

- Regularly review and adjust salaries to attract and retain talent.
- Offer employee wellness products or solutions as a voluntary or core benefit. Simple acts of showing care go a long way in winning high performers.
- Improve communication of total rewards to allow employees a comprehensive understanding of all offerings that the organization offers them beyond just base pay. This allows them to make meaningful comparisons with competitors' offerings of total rewards.
- Consider personalizing rewards and benefits to match employee needs.
- Improve linkages between performance and pay to improve equity and transparency.
- Offer more generous paid leave policies to enhance work-life balance and reduce turnover.



Possible AI Applications

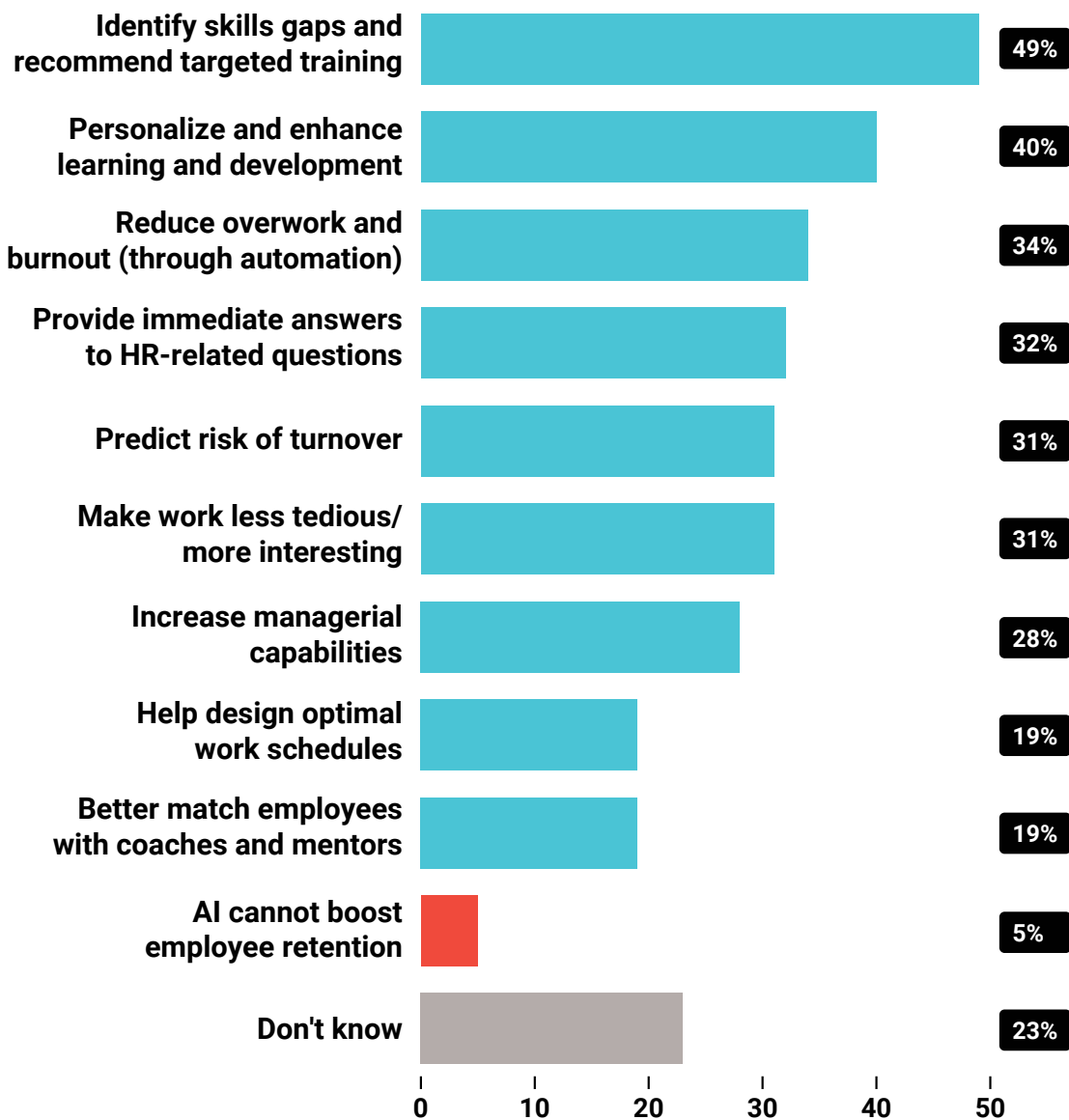


Finding: Almost half of organizations believe AI can be used to identify skill gaps and recommend training to help boost retention

How can AI help boost employee retention? Primary applications focus on aiding employee learning and development with 49% citing that AI can be used to analyze skill gaps and recommend training, and two-fifths believe it can personalize and enhance L&D. However, a quarter of respondents said they “do not know” how AI can aid retention, reflecting that either the application of AI is still nascent in this space or the HR professionals need to buckle up and stay abreast of possible applications.



How can artificial intelligence (AI) be used to boost employee retention rates? (select all that apply)



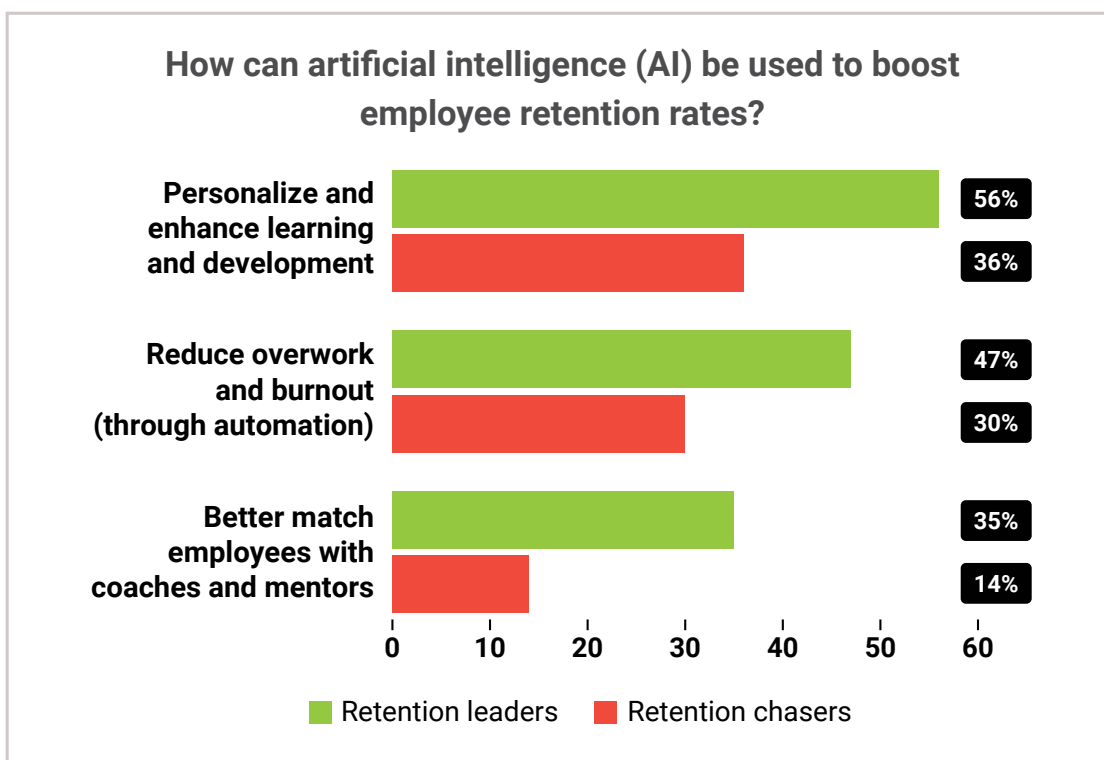


Finding: Retention leaders are more optimistic than the chasers about possible AI applications in retention

As with other retention strategies, retention leaders are more likely than chasers to think AI can boost retention through personalizing L&D, reducing overwork, and matching employees with coaches and mentors more efficiently. These uses are multi-faceted and exhibit the awareness of leaders on emerging technologies that can boost the retention of employees.

Results of Chi-square Test

A chi-square test of independence shows that retention leaders are significantly more likely than retention chaser organizations to use AI in all listed ways to boost retention.



HRRI Strategic Insight: Training HR professionals to apply AI in analyzing turnover metrics and deriving data-driven insights to improve retention can help them design better and more effective employee retention/engagement initiatives, and create a positive work environment.



Key Takeaways

Below are some key suggestions for how organizations might become more successful in employee retention.

Key Takeaway 1

Prioritize employee growth and development. Create clear career progression paths and provide regular opportunities for skill development to keep employees engaged and motivated. Invest in developing strong, empathetic leaders who can mentor, support, and inspire their teams, contributing to a positive employee experience. Leverage AI-powered learning management systems to deliver personalized career development plans and training opportunities tailored to individual needs at the top level.

Key Takeaway 2

Offer competitive compensation and benefits. Regularly review salary structures and benefits to ensure they remain competitive within the industry, addressing both monetary and non-monetary rewards. Implement attractive benefits like flexible working hours, remote work options, and wellness programs to help employees manage their personal and professional lives. Provide employees with the necessary tools, platforms, and support for seamless remote work, improving satisfaction and flexibility.

Key Takeaway 3

Focus on employee engagement. Regularly recognize and reward employee contributions and offer constructive feedback to promote a sense of achievement and growth. Have regular check-ins with employees to understand their concerns and reasons for staying, and address potential issues before they lead to turnover. Ensure employees understand how their roles contribute to the overall success of the organization, giving them a sense of purpose.

Key Takeaway 4

Take advantage of HR analytics. Use data analytics to track employee engagement, turnover rates, and satisfaction metrics, identifying patterns that predict retention risks. Invest in predictive analytics tools to forecast turnover and identify high-risk employees early, enabling targeted retention efforts. Regularly measure diversity, equity, and inclusion (DEI) efforts, linking these metrics to retention to ensure underrepresented groups are supported. Include retention metrics in company-wide performance dashboards to keep leadership focused on workforce stability as a key performance indicator.

Key Takeaway 5

Automate routine HR processes to reduce burnout. Implement technology solutions to streamline administrative tasks (e.g., payroll, leave management), allowing HR to focus on strategic initiatives that enhance employee experience and retention. Monitor workloads and identify areas to automate to reduce employee stress, ensuring sustainable productivity and long-term employee satisfaction.

Key Takeaway 6

Foster a conducive workplace culture and environment. Encourage an inclusive and supportive environment where employees feel valued, respected, and part of a cohesive team. Develop means to improve employee experience right from the onboarding program that helps new hires integrate smoothly into the company culture, understand expectations, and feel supported from day one. Use collaboration platforms and communication technologies to foster connection, transparency, and a sense of belonging among employees, especially in hybrid or remote work environments.





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eloomi is the only all-in-one L&D platform that combines a learning management system and performance management to deliver holistic people development. We solve any learning challenges, including employee training, onboarding, compliance, content authoring, performance management, skills development, blended learning, reporting, and people development.

With eloomi, you can consolidate your technology stack, reduce costs, and enhance people's growth and efficiency. 7,600+ companies worldwide choose eloomi to make a difference in learning and development. Get in touch to learn how we can support you in your next step at <https://eloomi.com> or on [LinkedIn](#).



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