

Staff Retention

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Introduction /Facts /Data

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Tools / Benefits /Resignations/Principles/Laws

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Introduction

In this presentation, we will concentrate on the importance of staff retention and will explore how clear objectives, feedback and support, good working relationships, together with rewards and recognition are best employed to develop a reduction in staff turnover through strategic planning and implementation of employee retention policies. In an effort to reduce staff turnover, within an international organisation, from an international HR Manager's perspective of their workforce, it is understood that when there needs to be a clear strategic approach to staff retention, detailing the positive approaches needed to increase an organisation's productivity and staff engagement. It is therefore imperative that the employee is considered as an asset and strategies are put into place, utilising all three levels, Corporate, Business and Functional, to alter the dynamics in the approach used to secure a long-term work relationship that benefits both the employer and employee.



Introduction

We will explore how the effect of Brexit and the Covid-19 Pandemic influenced the “Great Resignation”, felt in many countries across the continents, produced record numbers of turnover on a global scale that lead to organisations found filling their vacancies with competent candidates challenging, as the level of the workforce willing to apply, fell far below their expectations.

Using policies, legislation and strategies we will discover the importance they play in staff retention. A clear and solid understanding and implementation of relevant, proven theories, developed through studying the significance of a person's basic needs, both in and outside of the workplace, can have a dramatic effect on their performance at work and how their wants and needs are tied into an organisation's turnover.



5 Ways Managers Can Stop Employee Turnover



Managers are the leaders and coaches in their organisations sectors that they oversee. This applies to both national and international organisations. They are looked to for guidance, and as such are key in creating and maintaining a positive culture that fosters a mindset that promotes employee satisfaction with their work and future potential for promotion, from the selection process and onboarding to training and validation. When employees feel valued and listened to and have managers who are open to suggestions and genuinely listen to and assist their staff to overcome problems and attain their aspirations.

By employing these 5 principles, managers can be at the forefront of employee retention and actively participate in the reduction of employee turnover.

How to Win the 'Great Resignation'



(MILLER, S. 2021)

The facts appear to be demonstrating that the evidence for the 'Great Resignation' is real. Although retirement added to staff turnover, the levels of staff dismissals and redundancy levels increased during the Covid-19 pandemic, but they are on a decline with immigrant workers returning home due to Brexit regulations, thus reducing the workforce in many sectors and workers demanding more flexible ways of working. Staff, post-pandemic, are valuing their mental health more and reevaluating their priorities in favour of a better work-life balance, as resignations increased, with the decline of the Covid-19, to a rise of 40% more than before the pandemic. (CIPD 2022)

In the UK, since the COVID-19 global pandemic, the level of employment has fallen to pre-pandemic levels, which were at a historic low at its commencement. Although this increases to 5.2% in final quarter of 2020, this was lower than projected at the beginning of that year. Unemployment has continued to decrease where the UK government recorded that the levels reached 123,000, in period of November 2022 – January 2023. (Francis-Devine, Powell, 2023)

In 2021, America saw **47.8 million** people resign their jobs with a monthly total averaging almost 4 million a month. To date this is the greatest number recorded. Although this was a record departure the number of people resigning from their positions, many seem to have simply migrated to other jobs with the unemployment level stabilising at **an almost 50 year record low** seen only prior to the COVID-19 global pandemic (Weinstein, m., Hirsch, P) This leads to few reasons behind their change in jobs, which the most popular being dissatisfaction with their previous job and seeking higher wages.

Last year businesses prepared for the "Great Resignation", which affected other countries globally with high numbers of people resigning from their jobs. In the UK companies saw their staff departure level rising above pre Covid-19 pandemic levels recorded in a similar time period in 2019. **45% of surveyed Managers** by the Chartered Management Institute for Bloomberg News, stated that turnover increased to a greater level than in 2019 with larger companies facing the brunt of resignations at while smaller companies saw a smaller staff departure. This led to many companies recognising that they need to alter their retention strategies **with 89% introducing flexible working compared to 58% prior to March 2020**. The Great Resignation has also been seen in other countries in Europe as well as Asia, which saw many resign their position choosing to re-evaluate their work-life balance.

(Bloomberg 2021)

Tools

Definition and Staff Retention Measuring Tools

Staff is defined as an organization's efforts to retain retention desirable employees in order to achieve business objectives (Xuecheng, Iqbal and Saina, 2022)((Khalid and Nawab, 2018).

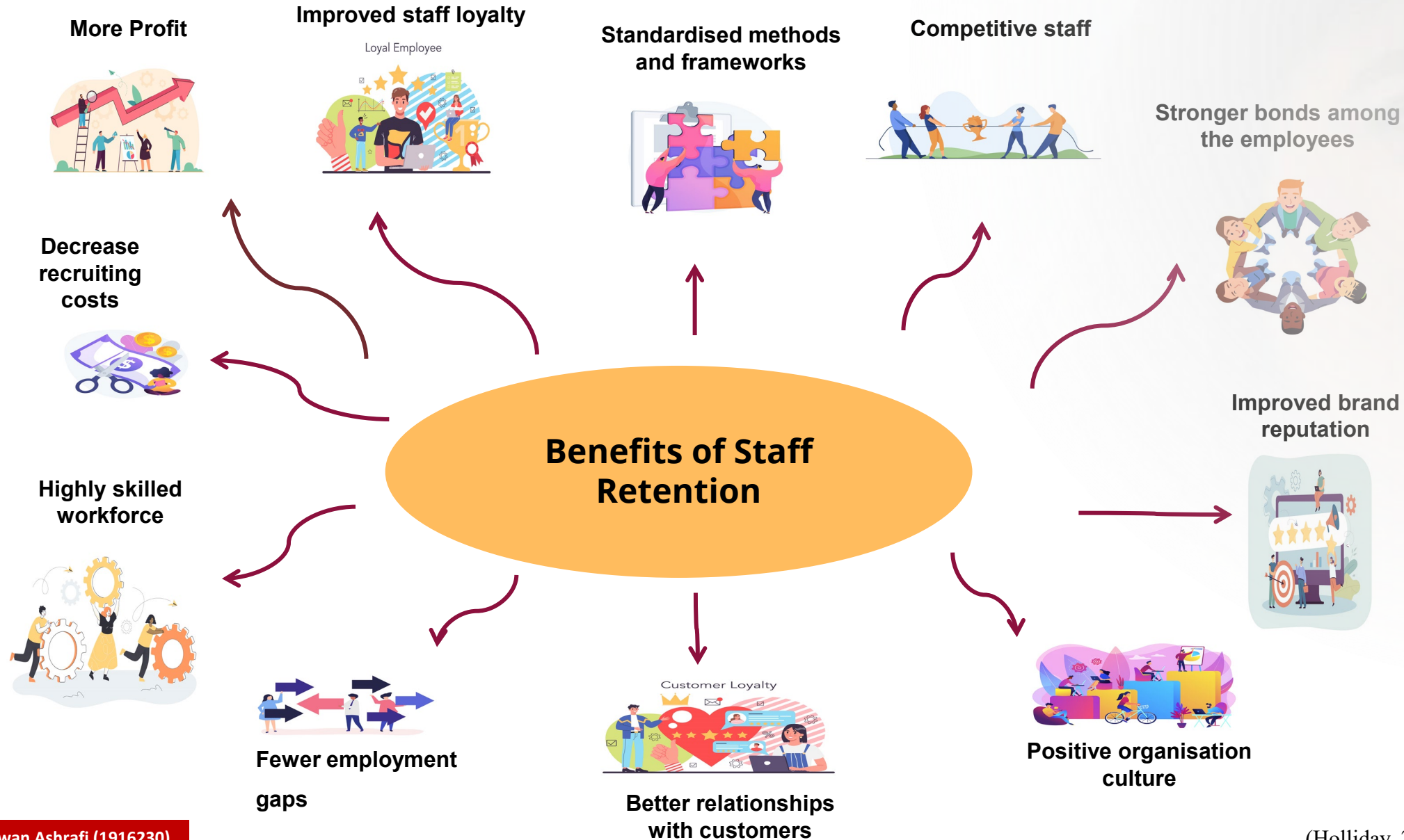


Staff retention rate = ((number of employees **stayed** at the end of the period) / number of employees at the beginning of the period) X **100**

(SHRM, 2021) (CIPD, 2021)



Benefits



Resignations

Reasons For Resignations

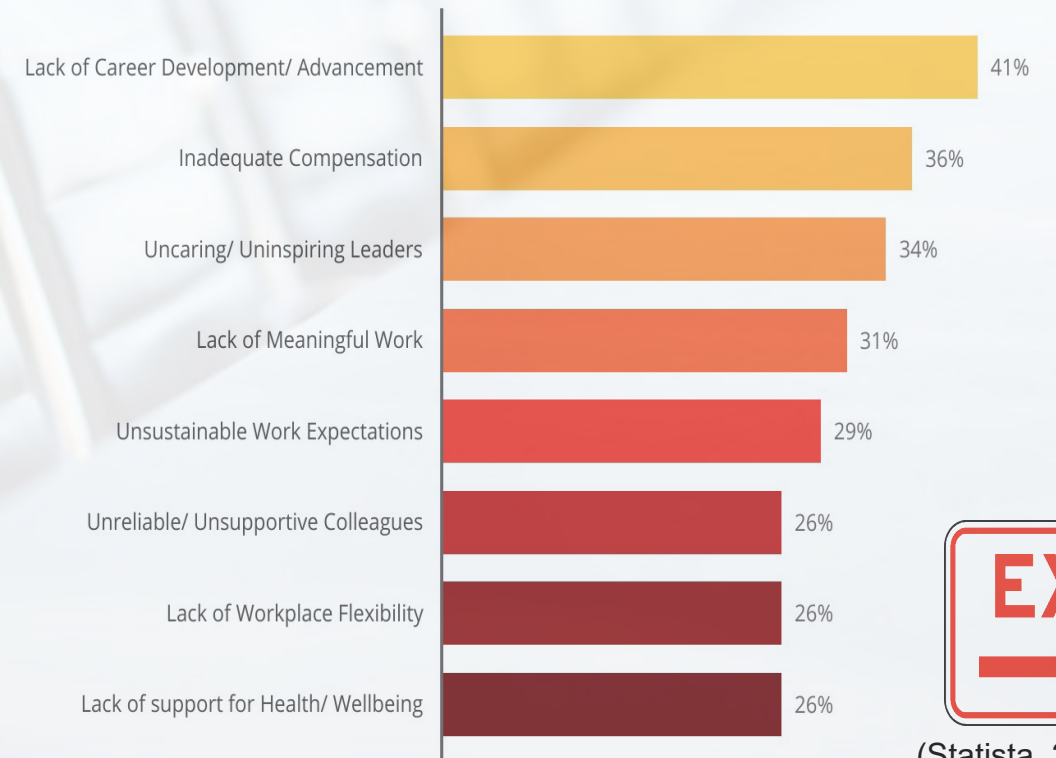


Ways to find out Why employees leave (Boitnott, 2019)(Forbes, 2019):

- **Feedback and internal interviews and surveys.**
- **Hiring an independent retention consultant**
- **Exit interviews**
- **Keeping Track**

REASONS FOR LEAVING JOBS

Based on a survey of 13382 staff in the UK, the USA, Australia, China and Australia



(Statista, 2022)

Principles

International principles



The 1998 ILO Declaration on **Basic Principles and Rights** at Work. It confirms ILO membership obligations (ILO, 2022):

1. **Freedom of organisation and practical acknowledgement of the right to collective bargaining;**
2. **The elimination of all kinds of forced or forced labour;**
3. **The effective removal of child labour;**
4. **The abolition of employment and occupation discrimination;**
5. **A safe and healthy workplace.**

The Ten Principles of the UN Global Compact (UN, 2023)

Human Rights

1. Companies have to protect international human rights.
2. Prevent human rights violations.



Labour

3. Businesses should protect the rights to form association and collective bargaining.
4. The abolition of forced labour.
5. The complete elimination of child labour.
6. The elimination of employment and occupation-based discrimination.

Environment

7. Environmental issues should be approached with caution by companies.
8. Implement measures to promote greater responsibility for the environment.
9. Promote the research, development, and diffusion of eco-friendly technologies.

Anti-Corruption

10. Businesses should combat all forms of corruption, such as extortion and bribery.

Laws

The UK Laws and Regulations

- **Employment Rights Act 1996 (Legislation.gov.uk, 1996)**
- **National Minimum Wage Act 1998 (Gov.UK, 1998)**
- **Employment Relations Act 1999 (UK Government, 1999)**
- **The Maternity and Parental Leave etc. Regulations 1999 (The UK Government, 1999)**
- **Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000 (GOV.UK, 2000)**
- **Transfer of Undertakings (Protection of Employment) Regulations 2006 (GOV.UK, 2006)**
- **The Equality Act 2010 (GOV, 2010)**
- **Agency Workers Regulations 2010 (GOV.UK, 2010)**
- **Health and Safety at Work Act 1974 (Health and Safety Executive, 2019)**



Strategies

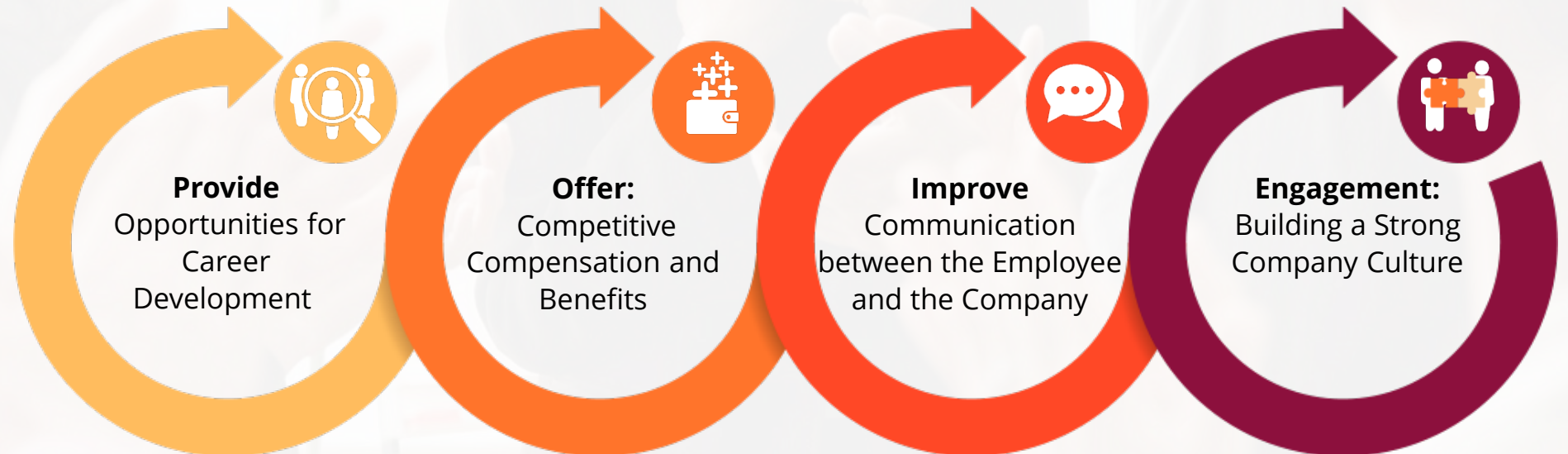
Every organisation is unique, and the best strategy will depend on a variety of factors, including the company culture, employee demographics, industry, and much more. Attracting and hiring the right candidates is the first important step in preventing retention issues, along with effective onboarding methods.

Organisations may boost productivity and staff retention by offering thorough training, clear and defined job requirements, and chances for involvement and progress.

There are many ways that a human resource director of an international company can increase employee retention.

Here are a few tactics you might consider:

As a direct result of Brexit, new immigration policies and restrictions on the movement of workers in Europe were created. More challenges resulted in recruiting and retaining the right employees from the EU for the relevant vacant positions. During the COVID-19 pandemic, many businesses were forced to change how they worked and adapted quickly, locally and internationally. Many employees worked remotely using new technologies and platforms, such as Teams and Zoom. This led to changes in work culture and expectations.



Strategies

Provide Opportunities for Career Development Career Progression Plan (CPP)



Strategies: Compensation and Benefits

Offer Competitive Compensation and Benefits

Measures to increase employee satisfaction and will be expensive however the trade-off has its merits

- Pay rise prevent employees leaving of an organization
- Perk and Bonus are great Incentives and can increase productivity.
- Achievement awards/Pay bonus will help the employee to be more valued and committed and be accountable of their responsibilities.
- Recognise and Reward Employees Compensation package to employees who contribute to the organization's success
- Conducting a SWOT analysis to understand the organization's competitive position in the market is essential for offering a competitive salary to retain employees.



(Miller, S. 2017)

Strategies

Communication - Feedback

Improve Communication between Employee and the Company.
Here are a few the best practices to implement:

Clearly Define the Feedback Process to ensure that you can develop transparent feedback and clear communication processes for all parties - setting up goals and objective in a clear and concise manner

Encourage Two-Way Communication: This will encourage good honest communication and allows for trust and open discussions to be initiated between employees and management

Provide Regular Feedback and recognition: This allows employees to recognise and improve their performance and goals by receiving quality training where necessary

Provide Actionable Feedback: Allowing the employees to participate in the appraisal progress give transparency and trust it will help provide a guide for employees and management to focus on specifics on how outcomes can improve

Follow Up and Track Progress: This progress can allow you the recognize and appreciate employee's performance which can lead to incentives



Excellence

Good

Average

Poor

Very Poor

Strategies: Work Culture

The following points are all significant factors that can aid in employee retention and foster a healthy work environment.

Believing in your employees is crucial for employee retention as it fosters a sense of trust, motivation, and loyalty.

Provide them information and knowledge -Providing employees information and knowledge about company culture promotes retention by introducing them to values, mission, and goals.

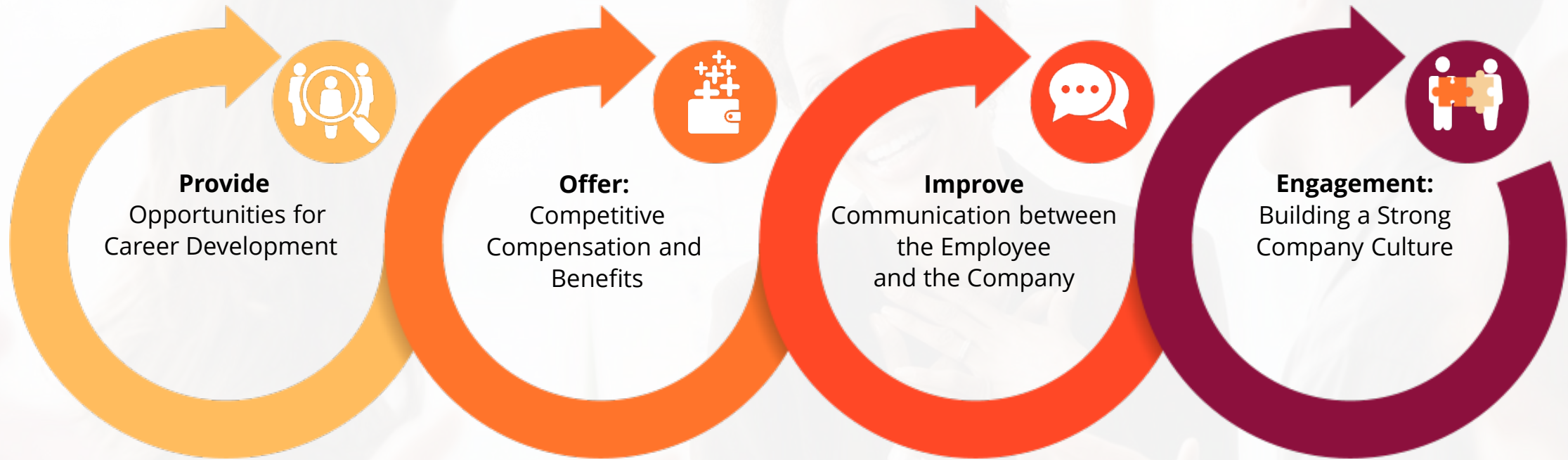
Transparent Work Culture: An open and trustworthy workplace culture promotes communication. It comprises keeping staff employees informed about company goals, policies, and changes through communication.

Promote a Healthy Work-Life Balance: Promoting a healthy work-life balance is crucial for employee retention and well-being. Offering flexible work options, including remote work or flexible hours, as well as fostering a culture that emphasises work-life balance can help with this.

Build a "Healthy Environment": An environment that supports both physical and emotional well-being is considered healthy.

This can entail offering tools and assistance for promoting the wellbeing of workers, including as wellness programmes, mental health resources, and ergonomic workplaces.

Strategies Summary



Brexit and the COVID-19 pandemic pushed organisations to adjust to new working conditions and legislation. In order to lessen the effects of these events and preserve their competitive edge, businesses had to adjust their workforce strategies and labour plans.

By incorporating and combining these retention strategies, companies can create a comprehensive plan and a supportive work environment, helping to address the key factors influencing employee satisfaction and retention.

It's important to regularly evaluate the effectiveness of these strategies, and adjust as needed, to ensure that they continue to meet the evolving needs of the employees and organisation.

Maslow's hierarchy of needs theory:

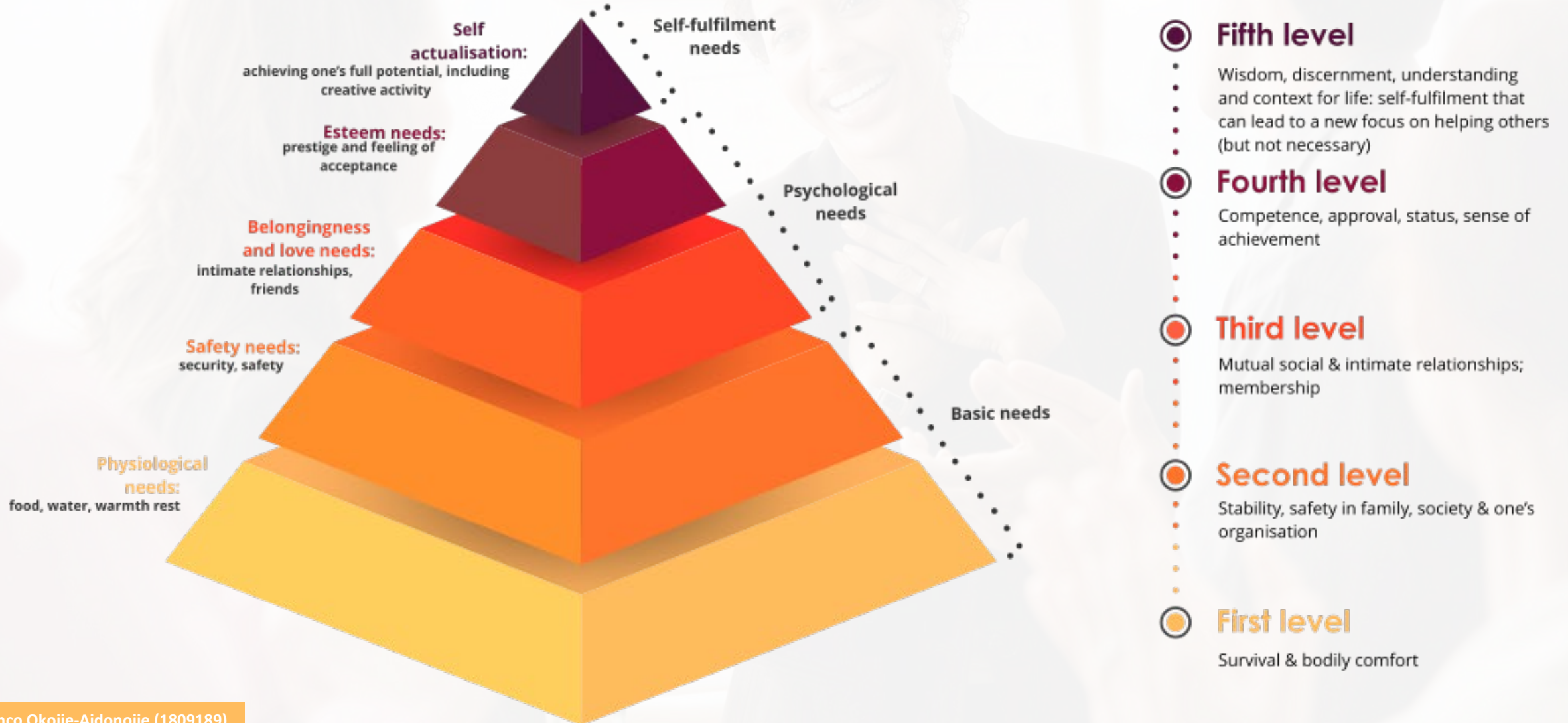
According to Maslow, there are five main levels of needs to positively influence staff retention in the work-place. These are: Physiological needs, Security needs, Affiliation needs, Esteem needs, and Self-Actualisation needs.

- Physiological needs: Staff hospitality i.e. Cafeteria, Human necessities examples accommodation, warmth, air, and sleep
- Security needs: Economic stability : wages, benefits like retirement and medical. Psychological needs: Accolades and appraisals.
- Physical needs : Good working conditions, adequate break periods.
- Affiliation needs: Promote social engagement, personal praises (when necessary), encourage personal inputs and good team cohesion.
- Esteem needs: Formatting challenging jobs and delegating responsibilities, give training and inclusivity.
- Self-actualisation: Provide training. Good challenges and encourage effective creativity. (Saul Mcleod 2018).

Theories

Maslow's Hierarchy of Needs

Maslow's hierarchy of needs



Theories

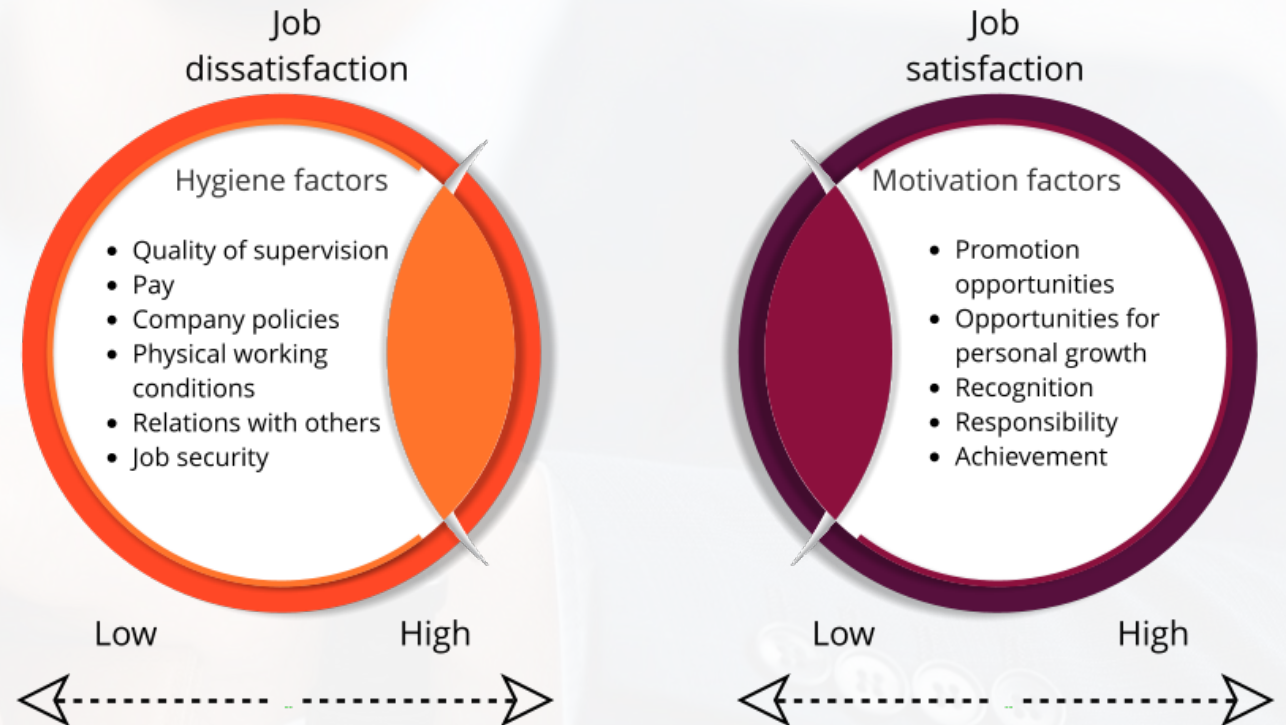
Herzberg's Two-Factor Theory of Motivation

Herzberg's Indicates two major factors in staff retention theories, according to Herzberg, the two essential factors theorising staff retention are:

Motivational and Hygiene factors.

- Motivational factors entails rewards and benefits, personal growth, recognition and promotional opportunities according to (Frederick Herzberg 1959).
- Hygiene factors are also prominent in Herzberg's theory as it encourages staff to work harder in their abilities and minimises employee disgruntlement.
 - These are: Working conditions, policies, pay, and quality of supervision. (Merin 2021).

Herzberg's Two-Factor Theory of Motivation



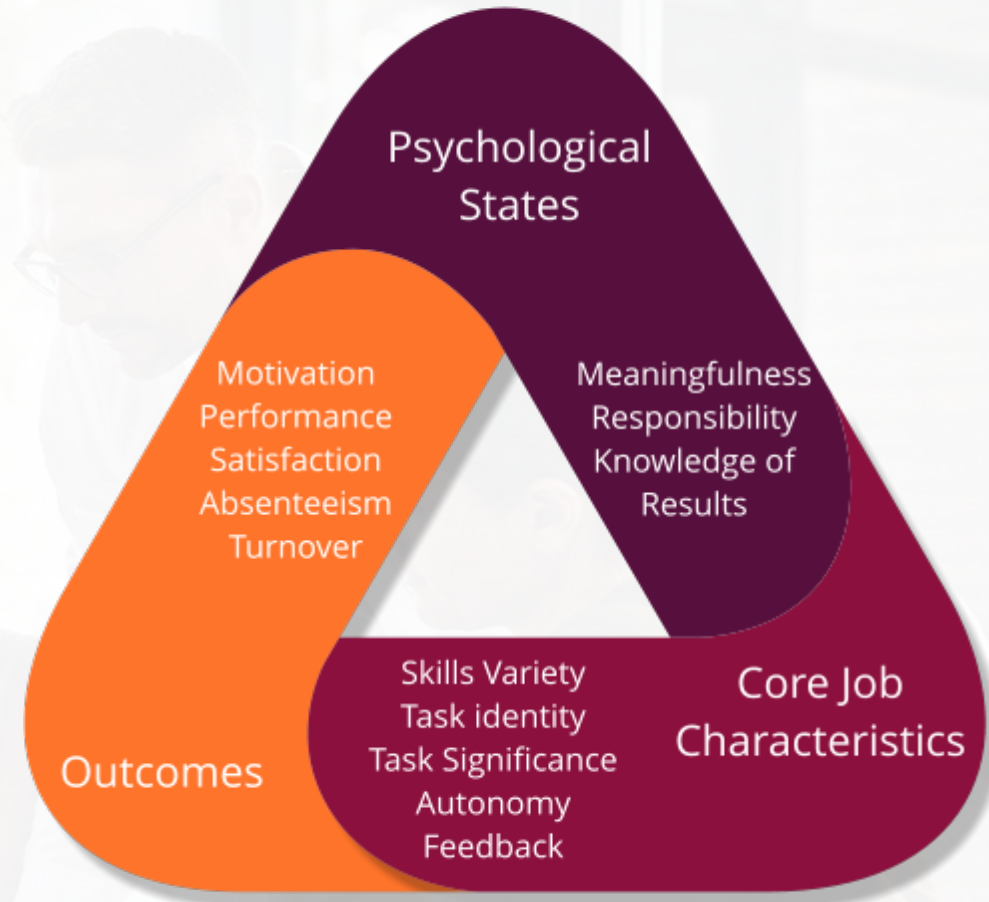
Theories

Robert Katz Three Skills Approach

Robert Katz Three Skills Approach opined that there are three basic skill approaches needed for a good staff retention programme. These skills are: Technical skills, Human skills, and Conceptual skills.

- Technical skills are fundamental in the process of proficiency in a particular area, especially when it involves specific methodologies and processes like analytical skills. For example: Surgeons, Musicians, Engineers etc.
- Human skills: The expertise to understanding working as a team and enhancing efficient knowledge and comprehension in a group.
- Conceptual Skill: Entails the total understanding of theoretical and cognitive skills for the overall comprehension of the whole entity of the company, and to bolster good staff retention and relationship within the organisation thus enabling improvements and sustainability. (Razaghi 2015).

Robert Kraz Three Skills Approach



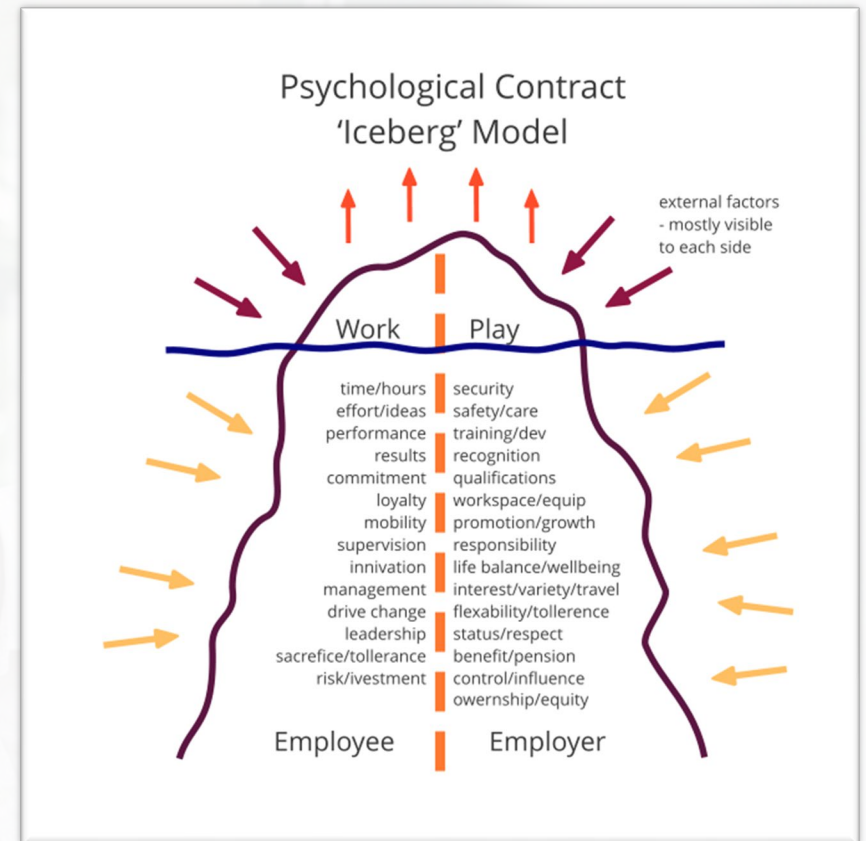
Theories

The Psychological Contract

The psychological contract is a different type of contract as opposed to the legal contract of employment. It centers on a small scope of the employment relationship between employer and employee.

Essentially, the legal contract establishes the agreement often written and signed with references to the formal duties of the employer and the employee, whilst the psychological contract is an informal dialogue between the two parties of some decorum of the relationship between the employer/employee dynamics, arrangements and expectations in respect of each other. Usually, the psychological contract is built on faith, impartiality, and a sense of trust.

It is important that the employer honors the agreement as any contravention can have huge impacts to people and organizations, outputs and rapid employee turnover. (cipd.co.uk 2023).



Conclusion

Staff retention is the cornerstone of any organisation. It is a vital tool managers use in retaining employees. Managers employ different strategies to reduce the turnover rate in their organisation by implementing improved feedback and flexibility.

Effective staff retention blueprint is dependent on the type of corporation, or industry it caters to. It is paramount that important procedures/tactics aligned with staff retention are introduced, as they can have immeasurably cost to every organisation. These programmes may require additional costs that can be very high, but the rewards can be enriching and a good investment in the long-term plan of any organisation.



Conclusion

Continued

We have looked at the facts and data, policies, regulations, strategies and theories, and we have established the importance and necessities of a good retention programme. Fundamentally, organisations are centred on people with basic human necessities, therefore compassionate managers can implement change more effectively above generous salary increases.

Finally, Brexit and the Covid-19 pandemic have been mentioned by my colleagues in strategies, data, policies and laws highlighting the volatility of the employment sector and the reformation of how staff retention has evolved following Brexit in the UK and the pandemic globally. The implementation of sound strategies and training has become pivotal and will help minimise employee turnover and provide stability to an organisation and help compete and have a stronghold in the ever-competitive human resources environment.



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