**Employee Retention and Turnover FAQ**

**> Employee Retention**

1. **Why is retention important?**

Skilled employees are a key competitive advantage for any organization. Retention of top talent is essential to sustaining and maintaining this competitive advantage. One relevant measure of retention is voluntary turnover. Keeping good employees helps maintain or increase morale, prevents loss of job knowledge which impacts revenue and reduces recruiting costs.

1. **What do employees want?**

* Employees ranked the following as the aspects of a job most important to job satisfaction:
* Opportunity to use skills and abilities (professional growth)
* Job security
* Compensation and pay
* Communication between employees and senior management
* Relationship with immediate supervisor

1. **How do I know if my organization has retention issues?**

Review your company turnover rates compared to benchmarks for your organization’s industry and location. The Department of Labor Bureau of Labor Statistics provides some of this information on their website: <https://www.bls.gov/jlt/data.htm>

1. **How can I keep good employees?**

* Consider focus groups with employees to determine what motivates them and what makes them want to stay. Your organization may want to conduct an Employee Opinion Survey or a Stay Survey for this purpose.  Catapult’s consulting group can assist with the process.
* Analyze turnover and exit interview data if available. Identify patterns to initiate problem-solving.
* Everyone wants to work for a “good” manager. What defines a good manager will differ from one employee to another. Generally, most employees want to work for a manager that is fair. Ensure that managers are evaluated on their management skills and be prepared to examine retention rates by manager. If any trends appear, begin a closer examination.
* Consider company culture and how employee fit is assessed during the recruiting, interview and onboarding process. Finding the “right” employees is a big step in keeping “good” employees.
* Consider career plans for employees who are interested in moving up in the organization. Are there training opportunities available? Would mentorship programs be appropriate? Are there low- or no-cost development opportunities (such as job shadowing)? Are there other ways to keep these employees engaged?

1. **How do I calculate turnover?**

You may wish to calculate turnover on a monthly, quarterly, annual or other basis. The following formula can be modified to fit your organization’s needs:

**Turnover Rate**

% Turnover = T / ((B + E)/2) \* 100

*where*

T = Terminations

B = Beginning number of employees (per month, quarter, year or other measurement)

E = Ending number of employees (per month, quarter, year or other measurement)

1. **What kinds of resources are available?**

Catapult can assist with retention in a variety of ways. We can conduct Employee Opinion Surveys, review your company’s handbook, talk you through policy development and conduct training for managers, as well as provide a variety of other useful tools.