13 Effective Employee Retention Strategies

Are you struggling to keep your best employees? High turnover rates can affect your company and its ability to reach sales objectives. Developing an effective employee retention strategy can help you improve employee satisfaction rates and ultimately, decrease turnover rates. Explore effective strategies for your retention program for employees.

Post a Job

Are you a job seeker? Find jobs.

Post a Job

strategy?

An employee retention strategy is a plan companies create to [reduce employee turnover](#) rates. The employee retention program includes company policies and programs that help organizations attract and retain qualified employees.

The strategies you implement should be based on the specific needs of the employees. For example, some employees may prefer health club and investment benefits, while others might prefer affordable healthcare coverage.

Why create an employee retention strategy?

High turnover rates can be expensive, inconvenient and harmful to the overall success of a company. Constant employee turnover forces a company to redistribute resources to recruit, hire and [train new employees](#). A

 ⌄

Q   Post a Job

13 Effective Employee Retention Strategies

Consider these employee retention program examples for your organization:

1. Focus on the hiring process

Choosing the right candidate for the position is a key talent retention strategy. If an employee isn't a good fit for their role, they'll likely leave the company, regardless of the other retention strategies you use. Focus on the [hiring process](#) by creating a job description that clearly describes the expected qualifications, skills and experience for the position.

Effective hiring is especially important at the management level. Lower-level employees are more likely to leave an organization when they're not satisfied with the leadership.

Post a Job

2. Offer a competitive salary and benefits

Employees often leave when they don't feel they're appropriately compensated. Use Indeed Salary to understand the average salary for the position and make sure you're within that range.

Benefits are also an important part of a compensation package and can make up for a less competitive salary. Employees value insurance, retirement accounts, cell phone stipends and memberships to gyms or health clubs and will often include it as a part of their whole compensation package.

3. Offer additional incentives

Extra incentives are another way to show your employees that you value them. Investing in your employees' success with professional development opportunities increases their skills and gives them additional value as an

4. Train effective managers/leaders

Employees spend the majority of their workweek interacting with management. If they have a bad experience or don't feel like they're receiving clear and effective management, they're more likely to leave the company. Focus on training management, with an emphasis on skills in leadership, communication and teamwork.

Related: How to Manage Employees

5. Encourage a culture of open communication

While problems in an organization can't always be avoided, it's the process in which the company responds to them that matters the most. When employees can openly communicate with management and discuss their problems or concerns, satisfaction rates tend to increase.

                                    🔍   **Post a Job**

employees' requests, and you'll find that they value the company more, as well as their place with it.

6. Create clear work objectives

Just as it's important for employees to have the opportunity to share their concerns, employees also want to know how they're doing professionally. When employees don't fully understand their duties or how their performance is measured, employee morale tends to decrease.

Setting clear goals and objectives and regularly discussing progress toward those goals will not only motivate employees, but it also gives them clear expectations and helps them better understand their role. Annual reviews can provide the environment needed to discuss role objectives, progress and overall evaluation.

Related: **How to Conduct an Employee Evaluation**

7. Understand what makes employees leave/stay

employee's decision to leave. Encourage open communication and keep track of the most common reasons for leaving.

It can also be helpful to consider why your current employees are staying. In a similar method to an exit interview, talk to existing employees about the things they enjoy the most and the things they feel could be improved about the company. This can help you understand the company's culture as a whole.

Related: [8 Exit Interview Questions that You Should Ask](#)

8. Encourage professional work relationships

Employees who are engaged with a company tend to feel more connected to its goals. Encourage and develop work relationships among employees through employee outings and events.

business with ongoing opportunities to build relationships between employees.

9. Value a work/life balance

Employees who feel like the demands of their job are affecting their personal lives are more likely to find alternative employment. Giving employees the chance to work from home occasionally and being less rigid with work hours can improve employee satisfaction rates.

Discourage management from calling or emailing employees with requests on evenings, weekends or vacation time. Regularly evaluate the expected responsibilities of each employee and consider how they are managing that workload.

10. Have advancement opportunities

An employee won't stick around for long if they have no room for advancement. While some people might be content in an entry-level position forever, most people

Focus on hiring from within when you have a new position. Work with your employees on a career path that lets them pursue new opportunities with your company. Knowing these opportunities are available motivates your employees to work harder and stick around longer.

11. Bring your values to life

Your company likely has clear values and ideals in the handbook. Do you work on them to create a company that makes your employees proud? Maybe your company values equality, charitable acts or protecting the environment. Demonstrate those values through the work you do.

Refine your manufacturing processes to reduce your carbon footprint. Provide job-shadowing opportunities for people in marginalized groups. Be the first in line to sponsor charitable events in your community. Employees who value those same things want to stay with a company that supports them.

Search Post a Job

the team faster. They learn more about the company and how they fit within the organization. They also have a go-to person for support and guidance.

Mentor programs don't have to be exclusively for new employees. Your existing employees might want a mentor if they're trying to advance or switch to a new department. Having a mentor in a higher position helps the employee understand how to get there.

13. Recognize achievements and milestones

Employees want to feel valued for their work. The paycheck is nice, but if they never get recognition for what they do, they might feel unfulfilled and frustrated. Knowing that management sees their efforts can motivate employees to work harder and stay with the company.

Speak up when you see an employee doing something worthy of recognition. Sharing recognition with the team at meetings or via email gives the employee wider

                                              🔍   Post a Job

FAQs about employee retention strategies

Here are some commonly asked questions about employee retention strategies.

What factors affect employee retention?

Many things can affect employee retention. Some of the factors include:

- Compensation
- Workload
- Support
- Level of satisfaction with the work and the culture
- Ability to make an impact
- Growth potential
- Interactions with coworkers

Q   **Post a Job**

How should a company choose which retention strategies to use?

Analyze your workforce and the way you do business. Talk to your employees to get a feel for what might get them to stay or what they would like to see. Consider the things that they value most to help you determine your biggest areas for improvement.

If your compensation is competitive but you overwork your employees, find ways to scale back the workload and improve the work/life balance. If you don't have a formal onboarding and continuing education program, create ways for employees to learn and grow.

Who is responsible for employee retention strategies?

Employee retention programs are often considered an HR issue, but everyone can help with the strategies. HR is responsible for the policies that help create a positive work environment. Managers work directly with employees and have a major impact on how employees feel about the work.
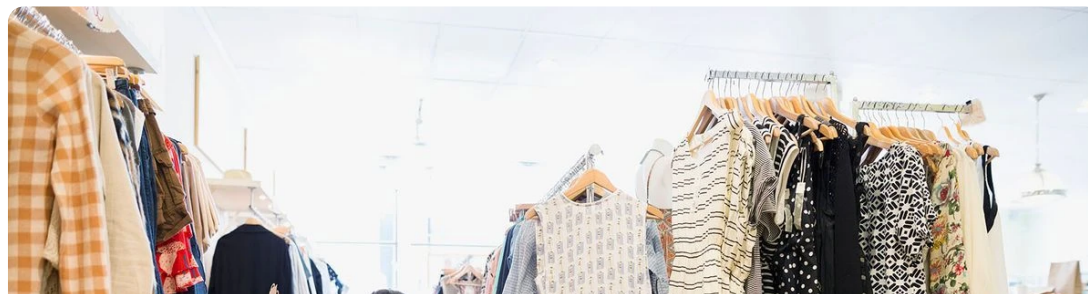
others want to leave. Even the clients you retain can impact your employees. Difficult clients who are never happy and berate your employees can cause people to quit. Firing those difficult clients can keep your employees happier and more productive.
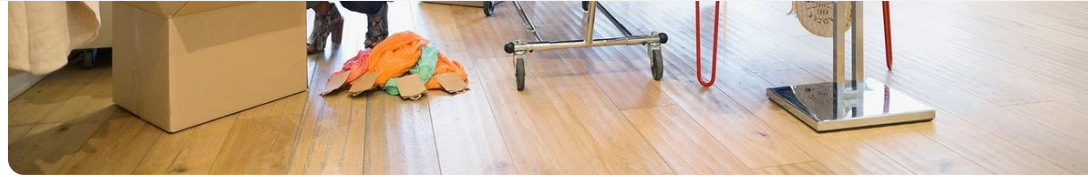
Ready to get started?

Post a Job

Recommended resources

14 Ways to Grow Your Business [Updated for 2021]

How to Create an Effective Employee Training and Development Program

How to Communicate a Pay Raise

Recent Employee retention articles

- Stack Ranking Employees: Pros and Cons for Managers
- Ways to Thank Your Team for Their Hard Work
- What is an Employee Pay Rate
- Shift Differential: Overcoming Staffing Challenges
- What Is Employee Relations: A Guide for HR Professionals

 ⌄

🔍   Post a Job

*Indeed provides this information as a courtesy to users of this site. Please note that we are not your career or legal advisor, and none of the information provided herein guarantees a job offer.

We're here to help

Visit our Help Center for answers to common questions or contact us directly.

Help center   **Contact support**

Indeed   ⌃

About Indeed

Press

Security

Cookies

Terms

Privacy center

Privacy policy

Accessibility at Indeed

Sitemap

Employers   ⌃

Post a job

Find candidates

Products

Pricing

Skills test

LEAD with Indeed

FAQ

Resources   ⌃

Hiring resources

How to hire employees

How to write job descriptions

Guide to hiring with Indeed

Interview questions guide

Hiring Lab

Indeed Events

Post a Job