

# 2022 Could Be The Year Of The Great Retention



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After 2021—the year of The Great Resignation, The Great Realignment, or whatever term best describes your experience in HR—most of us are hoping 2022 and beyond will be a little less chaotic. But hope alone won't shape a better future of work. The pandemic fundamentally altered employee priorities and expectations, and organizations must adapt. Employees aren't just leaving their jobs for more money; they're leaving because they have limited career opportunities, don't feel valued, and lack flexible work options—essentially, they're leaving to improve their quality of life.<sup>1</sup>



“I don't think employees are resigning, I think they're redesigning what they want work to be.”

—Heather Whiteman,  
Ph.D., people data enthusiast,  
and assistant teaching professor

<sup>1</sup> Christine Comaford, “New Research on the Real Cause of the Great Resignation,” *Forbes*, January 14, 2022.

If we have learned anything, it's the value of high-performing employees. As organizations around the globe analyze where they've been and where they're going, the employee experience is taking center stage. Organizations can no longer get away with delivering an average (or below average) employee experience and expect to compete in today's talent marketplace.

Organizations need to enter the era of The Great Retention: a time dedicated to refocusing energy and resources on delivering an exceptional employee experience that makes workers feel valued, appreciated, supported, and encouraged to remain with your organization for years to come.



# It's time to refocus

Since the beginning of 2021, many companies have been laser-focused on talent attrition and hiring. But strategic HR and talent leaders knew that hiring alone wouldn't be enough to turn things around—an organization can only hire itself so far out of a crisis. They also needed to stop employees from leaving in the first place.

The global pandemic wreaked havoc on talent pools. An estimated 54 million women worldwide disappeared from the workforce during the pandemic, and many may never return.<sup>2</sup> In the United States, millions of baby boomers retired early, and most won't return to the workforce.<sup>3</sup> Additionally, border closures halted immigration, impacting US employers who have come to rely on migrant workers to fill both skilled and nonskilled jobs.

Many countries are also grappling with shrinking demographics overall, with fewer workers entering the workforce each year than are being lost. In Saudi Arabia, in the last two quarters of 2021, employee churn almost doubled from the previous year, and the number of Saudi citizens quitting their jobs in the third quarter of 2021 was up **95%** from a year earlier.<sup>4</sup> In India, inadequate compensation, poor work-life balance, and burnout are the top reasons why people are thinking of quitting, according to a spontaneous poll of the audience attending the December 2021 SHRM India conference.<sup>5</sup>

<sup>2</sup> Douglas Broom, "This is the UN's plan for a gender-equal recovery," *World Economic Forum*, October 13, 2021.

<sup>3</sup> Erica Pandey, "Millions of baby boomers retired early during the pandemic," *Axios*, October 29, 2021.

<sup>4</sup> Nayib Rivera and Johannes Koettl, "Is Saudi Arabia Entering a 'Great Reshuffle,'" *Brookings Institution*, January 24, 2022.

<sup>5</sup> Shefali Anand, "India: Retaining Talent Amid the Great Resignation," *SHRM*, February 3, 2022.



The global workforce is undergoing a historic shift, presenting HR teams with unprecedented retention challenges, and it's going to take some significant change and effort to overcome them.

## Get ready for The Great Retention by focusing on and improving three key areas.

- Employee development and internal mobility
- Employee-centric technology
- People-first leadership



# Employee development and internal mobility

In 2021, many employees left their organizations for jobs with higher salaries, and that will always be a reality. However, the key to retention isn't always more money, especially for long-term, high-performing employees.

Oracle's **2021 AI@Work Global Study** found that **85%** of employees aren't satisfied with their company's support for their careers.<sup>6</sup> That's a massive number. In fact, according to the same study, **43%** of employees would even give up part of their salary if it meant access to more career development opportunities. What we've known for decades is true: **Employees want to be valued and developed.**

Today people typically leave a company for one that will take better care of their individual needs as a human. Each employee is unique, with different needs and challenges, and there's no magic retention formula or program that will fit everyone. But if you show employees they are valued and appreciated by helping them increase their career value through learning and development, they're more likely to stay.



<sup>6</sup> Oracle + Workplace Intelligence, "Back in the Driver's Seat: Employees Use Tech to Regain Control, AI@Work: 2021 Global Study," October 2021.

“When we start to understand what really motivates employees, and we connect with them on a personal level, that can bring about a great retention rather than a great resignation.”

—Heather Whiteman



One way to do this is to empower your employees to take control of their career development. It was once unheard of to build out internal career marketplaces—employees had to rely on their managers or HR to learn about internal opportunities. Thankfully internal mobility has become one of the fastest-growing talent management strategies, and both employers and employees have embraced it at a rate HR hasn't seen in decades.

Another benefit of internal career marketplaces is that they give employees options. When HR leaders talk about flexibility, inevitably the conversation shifts to remote and hybrid work models. However, providing flexibility is also crucial for successful employee career development strategies, such as internal mobility. Every employee has different goals and ambitions. Organizations must give each employee the resources, options, and visibility necessary to pursue the development path that best fits their needs and interests. If they don't, employees will find another organization that will.

“Employees at companies with high internal mobility stay almost two times longer than those [at companies] who don’t, and employees who found new roles internally are three and a half times more likely to be engaged than those who haven’t.”

—Mark Lobosco,  
Vice President of Talent Solutions, LinkedIn<sup>7</sup>



<sup>7</sup> Roy Maurer, “Internal Marketplaces Are the Future of Talent Management,” SHRM, April 16, 2021.



# Employee-centric technology



A positive employee experience is correlated with high retention. If an employee likes their job, likes their company and its culture, and feels appreciated, they're more likely to stay longer than someone who doesn't. This doesn't mean employees won't be tempted to apply for jobs at other companies offering better pay and benefits—or that they won't be recruited by one of your competitors. But if employees feel like just another cog in the company wheel, it will be even easier for the competition to lure them away from your organization.

During onboarding, most organizations do a good job of educating their employees about all the great benefits and opportunities they'll get, but at some point, many stop showing their employees why they're still a great place to work. Organizations must make demonstrating their commitment to meeting their employees' needs through benefits such as flexible work and career development an ongoing part of the employee experience. And, as employees grow and their needs and desires change over time, what is offered should also evolve so they can continue to take full advantage of benefits that best support them and their families.

Constantly re-engaging internal talent can be difficult, but it's not impossible. The technology organizations use has a major impact on employee experience and retention, and organizations with world-class retention metrics fully utilize the technology they have to make their lives and the lives of their employees easier.



HR leaders have more data and analytics at their fingertips than almost anyone else in the business, but organizations rarely use these tools to help them understand how to retain people.

“There is an opportunity to use data and analytics in a holistic way that gives us a better picture of the whole person. And a person is more than just who they are at work.”

—Heather Whiteman



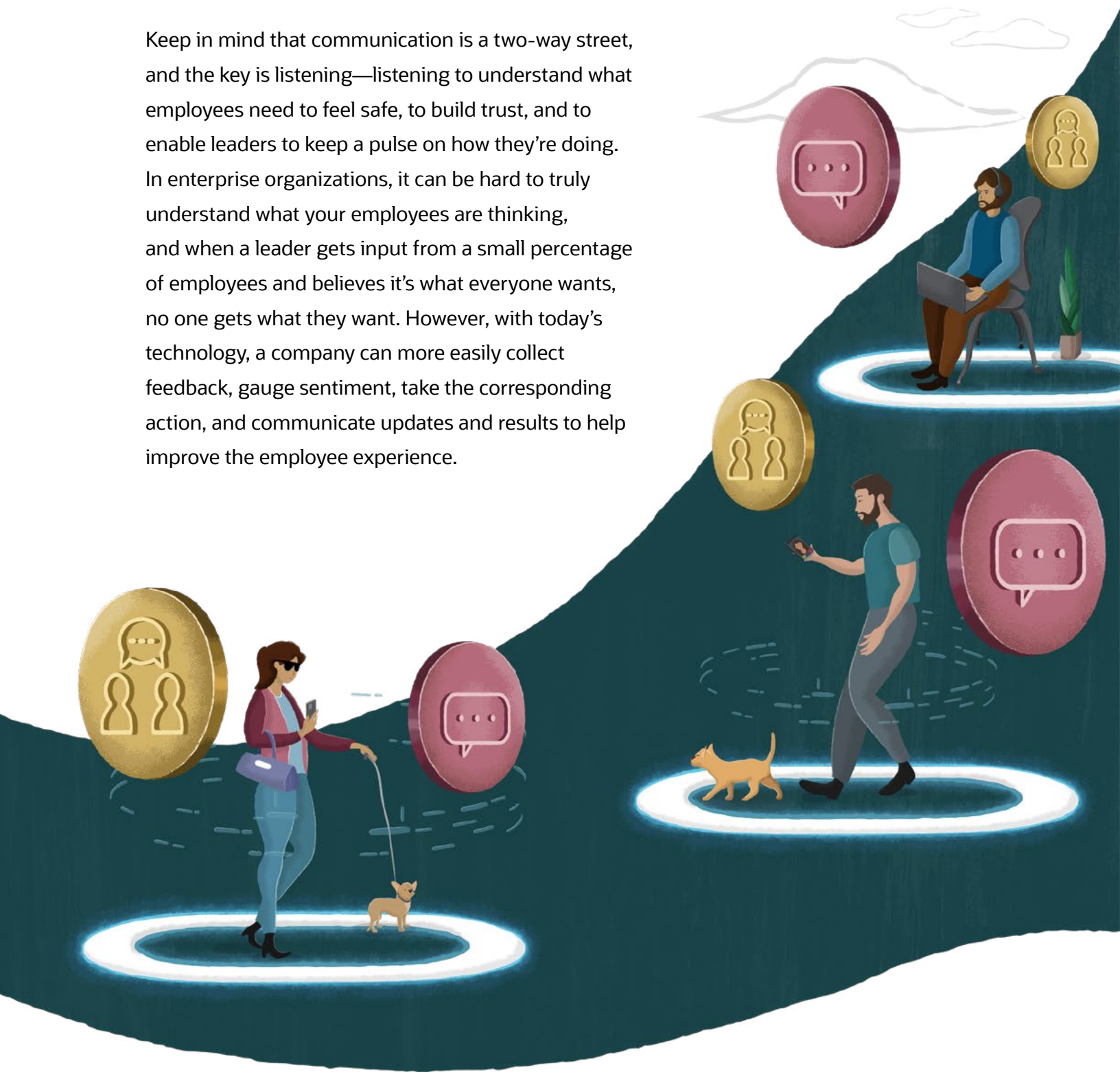
AI-driven tools integrated into an organization’s core HCM technology can gauge employee sentiment to help them determine where early intervention may be needed so they can help employees stay productive and empowered.

The ability to use technology to personalize messaging and keep a consistent, ongoing cadence of communication has never been more powerful or necessary than it is today—especially when you think about how many employees now work in remote and hybrid situations and often feel disconnected from what’s going on in the organization. Some HR leaders may feel that their employees are tired of all the communication, but in fact, employees want more communication. In one study, **90%** of respondents said they wanted at least weekly communication from their company.<sup>8</sup>



<sup>8</sup> Ryan Smith, “How CEOs Can Support Employee Mental Health in a Crisis,” *Harvard Business Review*, May 1, 2020.

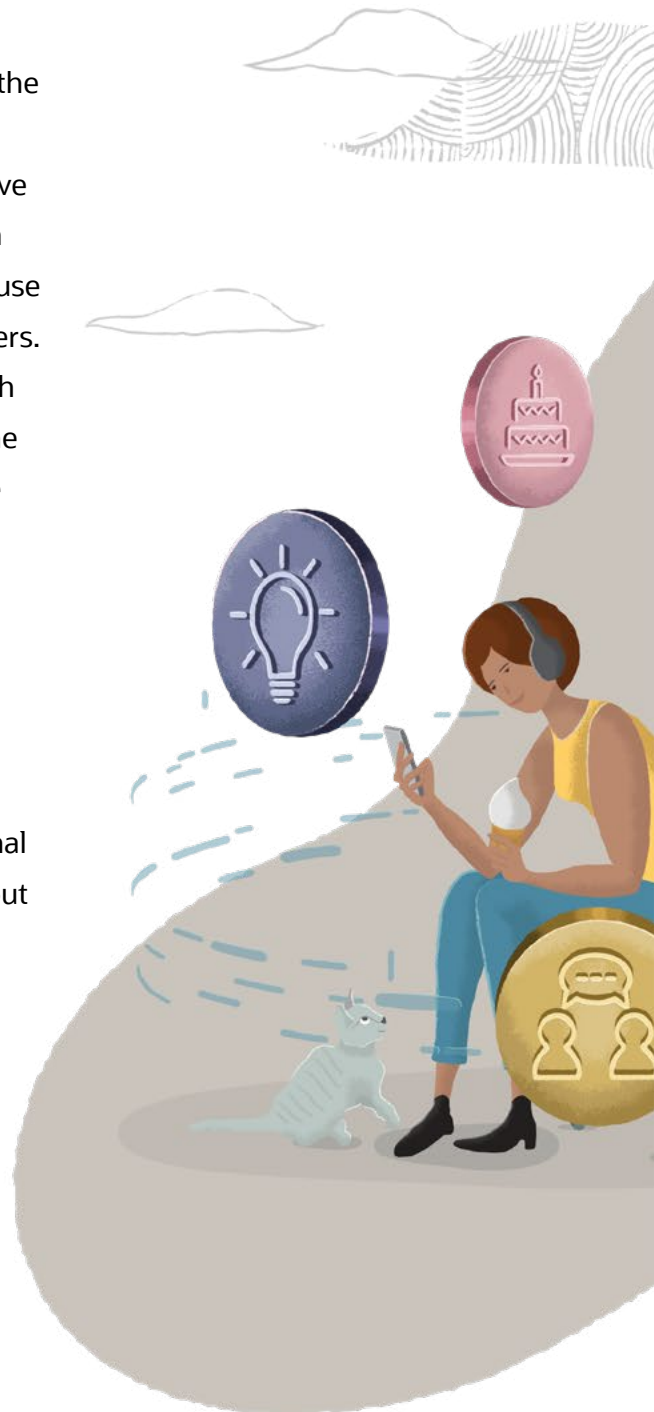
Keep in mind that communication is a two-way street, and the key is listening—listening to understand what employees need to feel safe, to build trust, and to enable leaders to keep a pulse on how they're doing. In enterprise organizations, it can be hard to truly understand what your employees are thinking, and when a leader gets input from a small percentage of employees and believes it's what everyone wants, no one gets what they want. However, with today's technology, a company can more easily collect feedback, gauge sentiment, take the corresponding action, and communicate updates and results to help improve the employee experience.



# People-first leadership

The final piece necessary for The Great Retention may be the hardest for many leaders. Adopting a people-first leadership approach—a goal world-class organizations have been working toward for more than a decade—has proven difficult. Most people move into leadership positions because they have certain attributes that make them high performers. Great leaders help their employees drive results. They push for innovation, and they have high accountability. Often the attributes that make them successful leaders are the same ones that push their employees to believe that working somewhere else might be best.

When an organization looks at employees who are newer to the workforce, they often see a desire for leaders who put people first. Businesses still need results and accountability, but the biggest win is meeting organizational goals while showing employees that their leaders care about them as people and see them as more than a number.



As many workers struggle to return to work onsite, even if only part-time, leaders must be empathetic and understand that every employee's anxiety about returning to the office will be at a different level based on their personal situation. Some employees are a bit skittish about returning to work—they have concerns about health and safety they didn't have before, and many have family care issues they didn't have before.

Having empathy doesn't mean a leader should be a pushover, but it does mean leaders need to consider each employee and situation individually. A leader should ensure each of their employees can perform at a high level, and this sometimes means leaders won't be able to treat every employee the same way.



# Get ready for The Great Retention

People are less likely to leave organizations when they're engaged, which typically means they've been given the tools and support to perform well; they feel respected, appreciated, well compensated, and connected; and they trust their organization and leaders.

“The more that we can use data and technology to bring the employee experience up to the standards of the customer experience, the more we're going to see a positive impact in employees feeling connected, being able to develop, and having the tools and the resources they need to do their best work,” says Whiteman.

There is no magic formula for improving employee retention, but with a powerful combination of employee development and internal mobility, employee-centric technology, and people-first leadership, 2022 could go down in history as the year of The Great Retention.



## About the author

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Tim Sackett, SHRM-SCP, is the president of HRUTech.com, a leading IT and engineering staffing firm headquartered in Lansing, MI. He has more than 20 years of combined executive HR and talent acquisition experience working for Fortune 500 companies, and he has his master's degree in HR management. Tim is a highly sought-after international speaker on leadership, HR technology, talent acquisition, and HR execution. He is currently a senior faculty member with the Josh Bersin Academy.

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