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Where To Focus When It Comes To Employee Retention

By Anna Shields, Consensio, 7 August 2024

Retention is a key challenge for many organizations, and is often on the leadership agenda. Although there are a number of reasons why people leave an employer, it's not always easy to identify the root causes, and so it can be difficult for leaders to know where to focus organizational efforts to improve retention.

Leavers don't always feel comfortable giving the real reason for leaving a job at the point of resignation or in exit interviews. They may be looking to protect an employment reference or, having decided to leave, want to get out as quickly and painlessly as possible. Colleagues and managers might also provide their own explanations for the departure, such as the person was failing anyway or wasn't a good fit for the team.

One motive for leaving that people are often reluctant to reveal is relationship issues with a coworker or manager. Because these relationship difficulties, which often relate to unresolved conflict, are not identified, organizations don't know they need to implement measures to help address this. An organization that wants to improve retention first needs to understand how workplace conflict affects retention, why this is a key area to tackle, and then look at the most effective steps to manage this.

Workplace relationship issues are costing employers millions

Most organizations recognize that when employees leave, this comes at a high cost. A report by Oxford Economics found the average cost of recruitment and training is estimated at £30,614 per employee, made up of both recruitment costs and estimates for lost productivity as new employees learn the ropes.

More recent studies reveal that 35% of employees experience conflict every year, and 5% of those resign due to conflict, which costs UK employers over £28.5bn a year. Organizational costs include absence, HR/management time, and presenteeism, but by far, the most significant cost is resignation. This highlights how much more cost-effective it is to keep good staff.

When employees resign, it can be too late to address the issues

Another issue is that by the time staff get to the stage of leaving, it can be too late to do anything about it. It's likely that the relationship breakdowns have become entrenched and may have been going on for a long time. Relationship challenges can take a huge emotional toll, with feelings of distress, anxiety, or frustration. At the point of resignation, staff members are much less likely to be open to efforts to repair the relationship in order to continue employment.

Conflict at work has a wide impact

A third factor for leaders to consider is that conflict has a broader impact than just the individuals involved. If it's an issue where formal processes have been used, many skilled professionals can become involved. Managers, HR, union representatives, and legal counsel can all play useful roles, but this takes up the time of skilled resources.

Furthermore, when a relationship between colleagues breaks down, its effects will be felt by the wider team. This can have a direct impact, such as those in conflict talking to teammates for advice or voicing their frustration and garnering supporters for their 'side' or point of view. But there's also the indirect impact on morale, the experience of working in an 'atmosphere,' or colleagues feeling disgruntled for taking on extra work while others are less productive. In these ways, conflict spreads and grows, often unseen by the broader organization.

What can employers do?

Having recognized the scale of the issue, which will vary by organization, there's a lot that employers can do. Here are three main areas to consider:

1. Pre-resignation support

Some organizations put support in place when employees are considering resigning to provide a confidential consultation to explore the reasons for departure and look at what could be done to address them. This is a last line of defense, which may have limited impact, but it can identify underlying relationship issues, and support can subsequently be offered. Workplace mediation, for example, can be very effective in helping colleagues navigate difficulties. While it can be used at this late stage, it will have a much greater impact if used earlier.

2. Building manager competencies

Research shows that a significant proportion of people leave their jobs due to their relationship with their manager, with one US study putting the figure at 57%. Therefore, investing in training to develop managers' awareness and skills can yield significant results. By recognizing how their communication style affects relationships and building the skills and confidence to address issues earlier, managers can make a substantial difference.

3. Individual accountability

The real opportunity is to reach more employees at a much earlier stage by both building awareness that relationship issues can and should be addressed and providing all staff with the resources to take action if needed. Technology makes developing this type of awareness and skills more accessible than ever. Combined with leadership support, it can transform relationships across an organization.

Retention is a crucial issue for many organizations, and understanding the drivers for why people leave will lead to more effective action to retain valuable and loyal staff members. By supporting employees to address issues when they arise, organizations can reap the rewards, not just in retaining more employees but also in building resilience and developing stronger relationships.