The benefits of employee retention and where you can improve.

Employee turnover is a fact of business. Some team members may leave for another opportunity. Others may be let go due to an infraction or job performance.

But here's another fact: The cost of replacing an individual employee can range from one-half to two times the employee's annual salary, according to a study from Gallup. Losing an employee can lead to a decrease in efficiency, lack of morale, and ultimately loss in revenue for your business.

On the other hand, companies who prioritize employee retention can save money, improve relationships, and create a more energetic workplace culture. Where does your workplace stack up and what can you do to ensure your team stays around? Read on to learn the benefits of employee retention.

What is employee retention?

Simply put, employee retention is a company's ability to keep employees and avoid turnover. Low employee retention occurs when team members voluntarily or involuntarily leave a position after a short time. A high-retention workplace has a seasoned team of employees who stay for years or full careers, buy into the culture, and care about the company's future success.

What are the benefits of employee retention?

There are countless benefits to high employee retention from cost efficiencies to workplace safety. See all the advantages.

- **Improved productivity.** The more seasoned your team members, the more efficient and productive your company will be. You can reduce the time it takes to perform tasks when your employees have a good handle on performance expectations and their roles and responsibilities.
- **Reduced costs.** Recruitment is a costly expense for companies. In addition, training and onboarding can be expensive, especially when that training pulls individuals away from their normal tasks or requires them to put in extended hours.
- **Heightened safety.** If you work in a hands-on field, your team members will be safer the more time they spend around machines, equipment, and the work environment. This can mean fewer workers compensation claims against your business.
- **Boosted morale.** Your team members are more likely to stay around when you create a safe, healthy, and happy workplace. And when they do, they'll form bonds with each other and feel a heightened sense of morale on the job.
- **Improved client relationships.** Your clients deserve quality and consistency from your team members rather than frequently changing contacts and processes. They, too, benefit from your high employee retention.

How can I improve retention?

The good news is you can improve your team retention by making small changes. You're likely doing some things right already. But to set your company up for even greater success, our experts suggest you:

- Offer competitive salaries and benefits
- Be transparent about the position and performance expectations
- Foster a safe, positive working environment
- Provide ample company orientation and training for the job
- Offer career development/ongoing mentorship opportunities
- Keep clear lines of communication between the team
- Plan team events/activities
- Give positive feedback and conduct scheduled performance reviews
- Take time to hire the right individual
- Evaluate job applicants to ensure they fit the company culture
- Provide exit surveys for outbound employees to learn from their experiences and improve your processes

Start taking small steps today to realize the benefits of employee retention. A local, independent agent can equip you with additional tips, tools, and business coverage.