2023 EDITION

The Essential Guide to Employee Retention

Learn how to identify potential turnover risks and increase retention rates among your professional services team.

harvest

The Great Resignation is still underway

According to a recent report by the Work Institute, the annual voluntary employee turnover rate is expected to reach 35% by this year — and seeing as it can cost anywhere from one-half to two times the leaving person's salary to replace them, it's more critical than ever to ensure your team isn't tempted to jump ship.

In this e-book you'll learn:

- Common reasons why employees resign
- How to identify employees at risk to resign
- Tips for avoiding burnout within your team
- How to improve employee retention rates

Top 5 reasons why employees are leaving

In order to prevent turnover as much as possible, you need to understand why it's happening in the first place – and that it's not always higher pay. In fact, a recent report by The Muse found that the following five reasons play a larger role in an employee's ultimate decision to leave:

1. Toxic workplaces
2. Work/life balance
3. Lack of flexibility
4. Rising layoffs
5. Lack of diversity

6 signs an employee is resigning

You'll likely experience unavoidable resignations among your team at some point. But if you can recognize the red flags that an employee's thinking about leaving, you'll have a better chance of not only persuading them to stay, but also preventing other team members from leaving in the future.

Lack of desire to grow

If an employee suddenly stops considering their career progression a vital priority, it's very possible that it's because they've already set their sights on somewhere else.

Unrealistic requests

It could be a sign that they feel undervalued, and they could also be using the request as a last-ditch effort to stay if another business has already made them an offer.

More time off

They might use their PTO to go on job interviews, or even try to take advantage of their remaining vacation time if they hadn't been using it before.

Hesitation towards long-term projects

They'll be less likely to take on new opportunities or commit to extra responsibilities — because they know they won't be there to see it through.

Decreased productivity

As an employee becomes increasingly unhappy on the job, their productivity decreases. They may develop habits of procrastination and ultimately begin to look for a position elsewhere.

A colleague's resignation

If a strong work bond is broken because someone leaves, the worker left behind could follow suit — especially if their workplace happiness decreases as a result.

How to prevent resignations from happening

Talk to the employee

More often than not, simply addressing an issue with an employee who wants to leave can go a long way. Sit down and have an honest and open conversation. There's a good chance that even a small tweak around things like responsibilities or benefits could be the deciding factor that gets them to stay.

Provide growth opportunities

Work with each of your employees to understand what their career goals are — and keep them top of mind at all times.

Set them up on a path that helps them get to where they want to be so they feel valued and trust that you consider their growth a top priority.

Address burnout

There are many ways you can address burnout, including keeping team communication consistent, conducting employee surveys, and holding regular check-ins with each individual. You can also use a tool like Harvest to regularly keep track of work hours and stop burnout in its tracks before it becomes an issue.

How to manage your team's workload and prevent burnout

A workload management system makes it easier to plan, schedule, and distribute tasks among your team. Laying out the work with a strategy like this will also give your team the confidence they need to produce quality work without experiencing the stress and panic that comes with burnout.

1 Break down the work

First determine the tasks and deliverables for the assignment. Then, break them down into subtasks. Once you identify all tasks and subtasks, you can lay out what the timeline would look like in order to accomplish everything successfully.

2 Identify your team's capacity

Planning for capacity is the most important part of managing your team's workload. According to resource management agency ProSymmetry, you should aim for a utilization rate of around 80%. Anything more than that poses the risks of too much work, and anything below is an indicator that you're not using your resources to their full potential.

3 Assign tasks based on skills and capacity

If you've determined that your team has the capacity to take on the project, your next step is to assign tasks to the right employees based on their workload and skillset. An efficient way to do this is to set up the new project in Harvest and add each team member's tasks so they can track work hours spent on each one.

4 Monitor project progress

Keep track of your team's performance on a regular basis — and don't be afraid to adapt when needed. For example, if you notice an employee's utilization rate is creeping above 80%, you can flag the issue and reassign the task before burnout becomes a possibility.

Additional tips for preventing burnout

As good as your new workload management strategy may be, you'll inevitably run into a few hiccups along the way. Here's how to handle them.

Accept different work styles

One employee might choose to work in time blocks, while another could prefer to tackle the difficult tasks in the morning and free their afternoons up for emails and meetings. Be sure to work around what works best for each team member and support their process.

Help with task management

To help your team understand how to prioritize tasks in the project schedule, teach them how they can accomplish all the tasks on their plate in a smarter way.

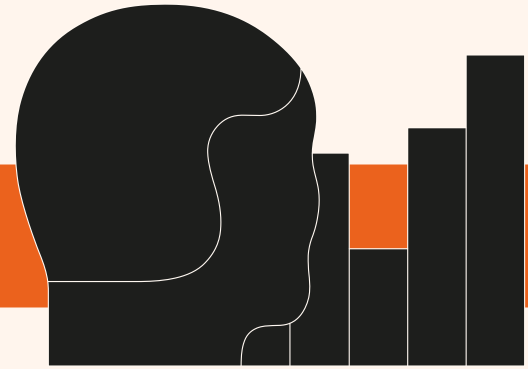
Support your team

Despite your team's ability to stay productive, it's your job to ensure their success. Give them the time they need to get the job done by preventing extra tasks and unnecessary meetings that could get in their way.

Track hours spent on tasks

Keep an eye on the hours spent on each project so you can understand burnout rates and estimated vs. real time. Doing so will help you plan more efficiently for your next project.

Measuring employee retention



A good rule of thumb is to keep your retention rate at 90% or higher, meaning you should aim for an employee turnover rate of 10% or less.

To measure your company's retention, subtract the employees who left from the total number of staff you had over a given period. Then divide that number by 100 to get your percentage.

For example, let's say you had **100 team members** from August to December. During that time, **12 employees resigned**:

$$\frac{(100 - 12)}{100} = 0.88$$

88%

Your retention rate would be 88% — meaning your turnover rate would be 12%.

How to increase employee retention

There will always be a certain level of employee turnover, no matter how great your work environment is. Still, there are many ways to improve the workplace dynamic and make employees feel good about staying on.

Communicate clearly

One employee might choose to work in time blocks, while another could prefer to tackle the difficult tasks in the morning and free their afternoons up for emails and meetings. Be sure to work around what works best for each team member and support their process.

Keep processes consistent

Laying out step-by-step processes for each project establishes expectations for your team and helps them accomplish their goals. By ensuring that your team is well-organized and focused, they'll feel more supported in their work.

Offer a competitive salary

To understand and establish salary trends, you can research pay structures in your industry, set up timelines and benchmarks for pay increases, and regularly evaluate how current salaries compare to the industry standard.

Maintain a positive environment

During your hiring process, make sure the people you're bringing on not only have the right skills for the job but also the right personality and attitude to fit in with the rest of your team.

How to craft an engagement survey that works

Finding ways to keep your employees engaged is more important than ever — and the best way to understand where you can improve is to conduct an employee engagement survey. By asking your team important questions around management effectiveness, communication, and individual growth needs, you can gain valuable insights that will ultimately help you:

- Understand areas of success
- Highlight improvement opportunities
- Provide a voice for your team
- Build trust among employees
- Cultivate a more engagement culture

Building your survey

By following these steps to build your employee engagement survey, you'll have a better chance of receiving quality results. You can also download our employee engagement survey template to get started.

1. **Define the goal**

   Before you begin writing questions, establish an objective. Maybe you're looking to improve communication, or increase collaboration. Regardless of your goal, defining it will drive your decision making process about which questions to include.

2. **Be realistic**

   If you ask your team whether or not they're satisfied with their pay but aren't actually prepared to provide raises, the question could accidentally set unrealistic expectations.

3. **Choose the question formats**

   Select close-ended questions if you want quantifiable responses you can analyze, open-ended for more specific, unpredictable information, or rated statements to reduce the mental effort of your employees.

4. **Pick your questions and survey length**

   A good rule of thumb is to include 30-35 questions in your survey — anything longer could prevent your team from completing it.

Turning results into action

It's vital that you not only take action on the survey results, but communicate your response plan to your team — doing so will motivate them to respond openly and honestly. Here are a few steps you can follow to create an action plan and communicate the progress.

1. ## Review results

   Look at the data and ask yourself: How does the feedback compare with your expectations? Are you surprised by any of the trends?

2. ## Build an action plan

   Highlight a few key themes and prioritize what can and should be done first (and what can wait) before sharing concrete action items with your team. Identify quick wins, set goals for the next month or so, and determine what long-term action should be taken.

3. ## Follow up where needed

   If you feel like some areas need a little more insight, just ask for it. You can dive deeper with shorter follow-up questions in a quick pulse survey, or even hold a team meeting encouraging everyone to discuss the issues in more depth.

4. ## Put the plan into action

   A good rule of thumb is to include 30-35 questions in your survey — anything longer could prevent your team from completing it.

5. ## Repeat the process

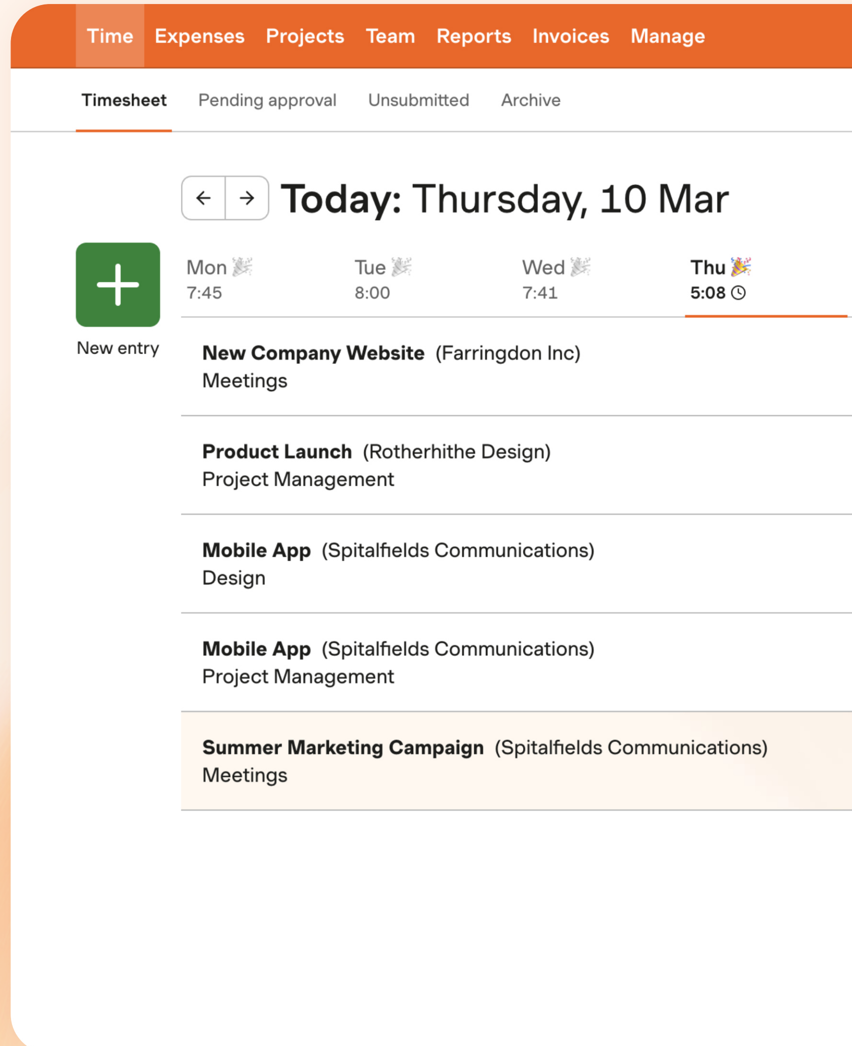
   After the changes are put into play, you can re-run the survey to get an idea of how impactful they were over time. Just be sure to avoid running another survey until the changes were actually made and communicated, or your team could be unwilling to answer the same questions over again.

Harvest helps your business and team thrive

Our trusted time tracking solution gives you the tools you need to support your team, gain insights from past projects, and get paid for your work — all in one place.

- Understand which tasks are taking up the most time
- Prevent burnout with team capacity insights
- Better plan for future projects with evidence-based decisions

Start a free trial today



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