



Pareto

A Randstad company

How To Retain Employees in a Challenging Market

How Your Business Can Become Part of The Great Retention

The Great Resignation was a trend coined in early 2021, during the midst of the global pandemic. With the cost of living rising, employees demanding a more flexible work-life balance and limited career progression opportunities, many people parted ways with their employers.

Over 4 million Americans quit their jobs every month for 11 months straight, according to data from the Bureau of Labor Statistics as of April 2022. A survey from May 2022 by the Pwc also revealed that almost **20% of UK workers** are expected to leave their current roles within the next 12 months, adding fuel to the fire of The Great Resignation.



20%

of UK workers are expected to leave their current roles

So, in all this doom and gloom, what if we were to tell you that in the wake of The Great Resignation came to The Great Retention - an opportunity to discover ways of retaining your talent and perhaps even bring back the talent you wished had never left?

Of course, there are hundreds of articles out there advising businesses on how they can retain talent in the post-pandemic world. Despite many of those pieces providing sound advice, we want to give you more than the obvious tropes. Instead, we want to provide you with genuine insight into The Great Retention and illustrate how the Pareto culture has adapted, reevaluated and managed to retain and bring back our top talent in the wake of the pandemic.

In this piece, we will show you how you can calculate your employee retention rate and help you understand what may be causing a high staff turnover within your organisation. Then we will provide recommendations on retaining or bringing back talent based on our proven methods and insight from the eyes of our people. Ultimately, by the end of this insight, you will know how your business can become part of The Great Retention.





Why is employee retention important?

Before we delve into the common causes of high staff turnover, let's start by explaining why retaining your employees is important. The more apparent benefits of retaining your people consist of reducing high monetary costs from recruitment and training of new hires to improving employee morale and boosting the productivity of your employees and the revenue of your business. These are credible reasons why employee retention is important, but we wanted to go beyond this and show you why employee retention is important to us at Pareto.

So, in our own words, employee retention...

Realises the potential of your people

"It's losing someone who had the potential of being the next superstar."

- Mark Rothwell, Senior Vice President

When it comes to the importance of The Great Retention, businesses must see that the costs of replacing talent are more than monetary. Moreso, it's about the costs of losing your people with the most potential and who can realise the potential of your business.

Keeping hold of the people you believe have the most potential to develop their careers, and your business is crucial, especially in the current climate where bringing the same results with fewer resources is even more critical. In addition, you need to rely on your existing staff, especially the ones you believe have great potential, as they will be the people who can make a more significant impact on your business and are ultimately hard to replace.

"If you hire a good person with the same values as your business, you've got to hold onto them because they're really hard to find."

- Mark Rothwell, Senior Vice President

Sometimes, the person you initially thought had the potential to be the future superstar of your business dips in form or goes through a challenging time in their professional or personal life. In these situations, it's essential to stick with this person and realise it takes time for people to realise their potential. If they were to leave, the consequences for your business are that you could lose their potential.

We've had people who go through tough times professionally, but ultimately they are good at what they do. They believe in us, they're loyal, and drive the messages we stand by. So even if they go through a difficult period, if I see they have potential,



I won't give up on them that easily as I don't want to lose the potential I see in them.

If you lose your people with potential, you're losing your next team leader, your next department manager and potentially the next person to take over and run your business. You need to retain

your staff to retain the potential they will become for both themselves and your business. So, you should strive to keep your people with the potential to avoid disrupting your succession planning. The last thing you need is for your future superstars to realise their potential by jumping to one of your competitors.



Enhances your company culture

“If you cut me in half, I’ll bleed purple.”

- Mark Rothwell, Senior Vice President

Your company culture is the philosophy your organisation stands by, from your values, behaviours, beliefs and attitudes. Of course, not everyone within your organisation will embrace your culture immediately. Still, it can be developed and enhanced by existing members of your team who have the experience, who understand the culture and who live by it to ensure longevity and success for your business.

It's very hard to find good people who believe in the culture and the morals of the business. That's why retaining staff who culturally are the right people, they've got the right DNA, and they share the values

that you do is really important.

These are the people you need to retain - the people who are fully onboard and loyal to your brand and its culture. Yes, you can find talented individuals with technical skills who can do a job. However, it's far more difficult to replace people who embody your culture and can instil your culture into the wider team. If you lose these people, you risk losing the culture you worked so hard to mould, which laid the foundations of what your business represents today.

Additionally, while taking on board our advice above, always remain open and welcoming to allowing new, existing and future talent to build your culture with you. Finally, make sure you embrace diversity and build an inclusive environment where everyone can have a say, have an opinion valued and have the opportunity to flourish.



Creates a sense of “there’s no place like home.

“I just felt like Pareto was home for me....”

- Afsheen Chowdhury, Sales Manager, Pareto

If you can make your brand feel like ‘home’ to your employees, you stand a significant chance of retaining your talent. In addition, by developing a home environment within your business, your employees, past, present and future, will always feel somewhat attached to your brand.

“I just felt like Pareto was home for me. I didn’t have the intention of leaving and coming back. I was very passionate about setting up my business, but now that I think of it, it was a no-brainer to come back to Pareto, to come back home.”

- Afsheen Chowdhury, Sales Manager, Pareto

We know how powerful the words “there’s no place like home” can be because we’ve heard our people say it, and they’ve said it because of how we’ve adopted new methods to become part of The Great Retention. Later in this piece, you will also learn how your business can become part of The Great Retention, but before then, you must find out and accept where your business is currently regarding staff retention.



How to calculate your employee retention rate

An employee retention rate is a measurement of the employees you've retained over a set time, be it a month, a quarter, a year etc. It combines your employee turnover and the people you have onboarded to give you a more comprehensive metric of who has come and gone within your business.

Retention rates vary depending on business to business and the industry they operate in, but typically, a **retention rate of 90%** or more would be considered 'good'. Therefore an employee **turnover of 10%** or less would achieve 'good' status.

The average turnover rate in the UK is **15%**

The average turnover rate in the US is **10%**

You should consider working out your company's retention rate to gain insight into where your company is and to help you strategise where you want to get to in the future. Start by choosing a date. For example, determine the number of employees in your company at the start of the month. Next, divide this number by the number of employees you had within your business at the end of the month. Times this number by 100 to get your retention rate percentage. Then repeat this formula each month to track your retention rate.

Calculating your employee retention rate can be done by using the below formula:

$$\frac{\text{\# of employees at the end of a set period}}{\text{\# of employees at the start of a set period}} \times 100 = \text{retention rate percentage}$$

# of employees at the end of a month	# of employees at the beginning of a month	# of employees at the end of a month/ # of employees at the beginning of a month	X 100	Retention rate percentage
26	42	.61	61	61%



Common causes of high staff turnover

If your business has a high staff turnover, it may be because of one or a combination of the below reasons.

Lack of Purpose

Companies with a purposeful mission saw

4.9%
lower attrition

Toxic Culture

Nearly 1/4 people dread going into work and 1/5 people who have left their job in the last five years, culture is the major reason why.



Bad Managers

More than half of employees who voluntarily left their roles say their manager or organization could have done something to make them stay.



Boredom

Employees who feel challenged in their roles are 3x more likely to feel engaged at work- and engagement increased the likelihood people will stay with their company.



Being Overworked

More than half of workers say they have been encouraged by their employers to work on the weekends or after hours, and while most agree a normal workweek should be about 40 hours, they regularly work 50 on average



Poor Work-life Balance

The Work Institute seeing people who named commute, as a reason for leaving, has seen an increase of

403%
since 2010

Poor Compensation

A 10% increase in higher base pay, on average, is associated with a 1.5% higher chance that a worker will stay at the company for their next role.



No Opportunity for Growth or Development

US job seekers are willing to forgo up to 12% of their salary for, in part, more training opportunities.

12%
of salary

No Feedback

Turnover was 14.9% lower for those who received feedback compared to those who did not.



Bad Hiring Procedures

When a job isn't a good fit, almost half blamed toxic work culture.



How to become part of The Great Retention

As market leaders in sales for 25 years, we attract, place, train and retain top talent, empowering businesses to realise their potential. We know how to make your brand feel like home and become part of The Great Retention. How do we know this? Because we've done this for our brand, and we've seen the results for ourselves. This is how we do it and how you can become part of The Great Retention.

Create a Culture of Firsts

"I experienced so many firsts with Pareto..."

- Afsheen Chowdhury, Sales Manager, Pareto

People always remember the first time they experienced something, be it something they did or brought; you always remember where you were, who you were with and how it made you feel.

As part of our retention strategy, we've instilled a culture of firsts and exposed our people to exceptional experiences and life events that will leave them with lasting memories of our brand. In addition, these 'firsts' act as an emotional tie that will enhance the chances of our people staying with us long-term.

I experienced so many firsts with Pareto. The first time I ever flew business class, the first time I bought something from a commission check, my first ever trip to Dubai, and the first time I ever went skiing, all of these things are amazing achievements in my life. All these firsts happened with Pareto.

When your people take time to reflect on their careers, you want them to think fondly of your business. For example, suppose you were the employer who introduced them to a new skill, took them on a business trip to a location they'd never been to or helped them financially secure their first home. In that case, they will reflect on these fond memories and associate them with your brand.



Realise the Potential of Role Models

“I think a role model is someone you follow and do anything for.”

- Afsheen Chowdhury, Sales Manager, Pareto

Role models give your people someone to look up to and aspire to be, especially when you have a diverse leadership team to provide positive role models. Often in senior positions, this type of exceptional talent plays an instrumental part in the careers of your professionals, inspiring them to progress through the ranks of your organisation rather than moving on to work for one of your competitors.

“Having role models will mean that you generate new leaders and attract and retain more people.”

- Afsheen Chowdhury, Sales Manager, Pareto

This section on role models resonates with our previous point regarding Why is employee retention important? And how you need to ensure you keep the people who have “the potential of being the next superstar.” This superstar could be a future role

model for your brand and someone who could be a beacon of light when it comes to retaining your talent.

Before moving on to our next point, ask yourself these two questions.

1. Who within your business is a role model?
2. Who within your business has the potential to become a role model?

At Pareto, we're always looking for the next role model and one way we do this is by developing role models by promoting from within.



Promote Potential From Within

“Every senior leader at Pareto has been through our assessment day. So our people can see that the leaders and role models we have at Pareto haven’t just been hired to do that role or that position; they’ve worked from the bottom and got to the role they are in.”

- Josh Averill, Sales Director, Pareto



Voluntary turnover costs companies in the **US \$1 trillion a year**, and replacing a member of your team can cost up to double that person’s salary, according to Gallup. Similarly, in the UK, the average turnover cost of a single employee on a £25K or above annual pay is over £30K, according to research by Oxford Economics and Unum. These costs accumulate due to the recruitment fees, training and salary of hiring new talent.

Compare this with it only costing just over £1K to upskill, retrain or promote an employee in the UK and the US, respectively, and you realise how promoting potential from within, as opposed to hiring talent from outside the company, can have a massive impact on employee retention. For example, suppose your staff know they have an equal opportunity to progress within your business without the fear they will be held back by you hiring more experienced individuals. In that case, they will be more inclined to stay loyal and motivated to develop their career with you.

Of course, there may be times when you have to make an immediate hire at a senior level who hasn’t come through your ranks, but for the most part, your should aim to promote from within to support your employee retention and grow your teams from the ground up.

“It’s inspiring for new and existing hires to see that we’ve only ever promoted from within. It’s exciting seeing those that have been in the been there, done that. I think that’s quite motivational.”

- Afsheen Chowdhury, Sales Manager, Pareto

Promoting potential from within is a positive step towards increasing employee retention. Giving your talent the career progression opportunities to become the role models they aspire to be could be the motivational boost that keeps them with you for the long haul - it certainly worked for u



Empower Personal Connections

“You want a manager who is invested in you and your happiness, not just you hitting a sales target.”

- Josh Averill, Sales Director, Pareto

Developing personal connections with your talent can help you better understand your talent. Your employees should never be seen or feel like just a number; they are much more than that. Ultimately, they are the backbone of your business.

“I think you must care about what your team cares about, other than their day job and the numbers they bring in. Get to know what they like doing outside of work, understand why they want to work for you and their purpose. Show them you care about their goals and what they want to achieve.”

- Afsheen Chowdhury, Sales Manager, Pareto

If you show your employees that you care, your employees will show they care about your brand in return. When you empower personal connections with your employees, you demonstrate your investment in their lives. Be it through providing training and progression plans to getting to know more about their personal life, when you invest in your people; they will invest in you - increasing the likelihood of your talent remaining with your business. So when your company does poorly, they genuinely care, and it hurts them, while conversely, they revel in the brand's success when you do well.

“When we do badly, it hurts them, when we do well, they enjoy the success.”

- Mark Rothwell, Senior Vice President

At Pareto, we empower personal connections to make everyone feel part of the team, so when we go through a rough patch, they genuinely care, and when we do well, they enjoy and feel part of the success.



Reevaluate your employee's motivations

“The world has changed. You’ve got to create a retention plan that reflects the different generations of people.”

- Mark Rothwell, Senior Vice President

In conjunction with The Great Retention is what many refer to as The Great Reevaluation, a time during the pandemic when employees reevaluated what they wanted from their future careers.

The Great Reevaluation doesn't have to be solely used by employees. Instead, you should embrace this as part of your retention strategy and use it to determine what motivates your employees and position incentives that align with these motivations to help retain your talent.

You may or may not have a benefits programme, rewards system or incentives scheme within your business to motivate your talent. Regardless, your

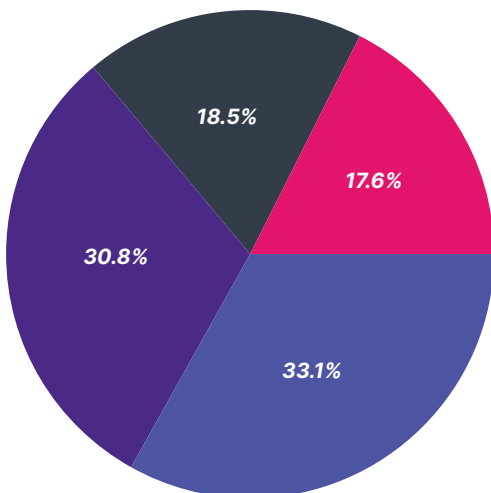
talent has likely reevaluated their motivations since the pandemic; therefore, your current or pre-Covid methods to motivate your staff may need to be adjusted. But how do you do this?

“How are you incentivising, retaining, and motivating your talent and are your pre-Covid plans the same as your post-Covid plans? Because if they are, they might not be as effective.”

- Mark Rothwell, Senior Vice President

We gained invaluable insight into what motivates our people by conducting an internal survey. These findings have forced us to change our incentives and rewards programmes, which have gone a long way to retaining our top talent. Here are the results from our survey.

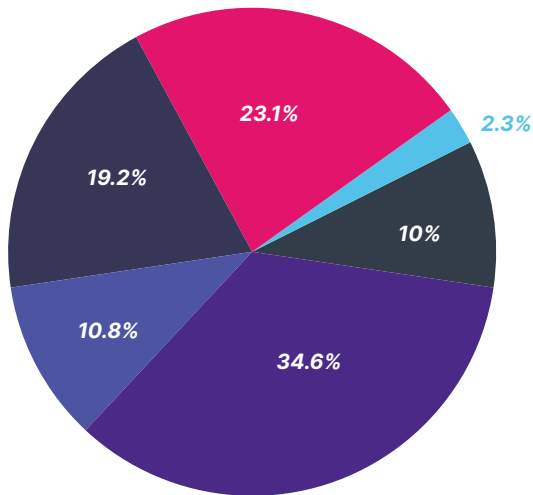
Incentive & Socials 2023 What Pareto employees have said



How should they be categorized?

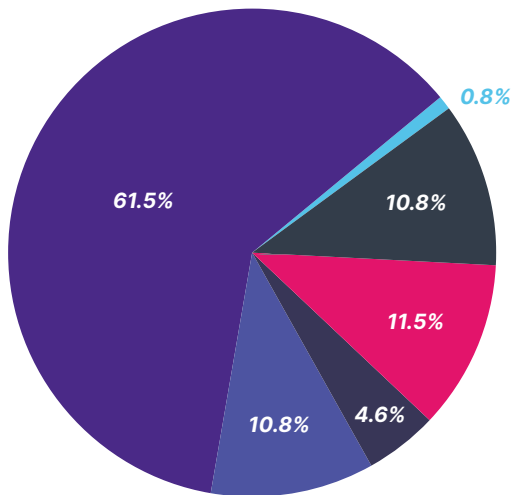
- 33.1% Full Company
- 30.8% Split into departments (sales/training/operations)
- 18.5% Teams
- 17.6% Other





What should the breakdown look like?

- 2.3% One big yearly incentive
- 10% Bi-yearly incentives
- 34.6% Quarterly incentives
- 10.8% Monthly incentives
- 19.2% A mixture
- 23.1% Other



What kind of incentives would you like to see?

- 0.8% Day trips
- 4.6% Week long trips
- 10.8% Rewards
- 11.5% Weekend Trips
- 61.5% A mixture of the above
- 10.8% Other

Prizes:

- 15.7% - Money
- 12.5% - Would you like to be able to choose their own prize from a list of available options
- 11.8% - Day trips (experience days, spa days, city trips etc.)
- 11.8% - Holidays abroad
- 11.4% - A mixture of the options
- 10.9% - Weekends away abroad
- 8.8% - Goods (TV, iPad, phones, cuddly toy! etc.)
- 8.4% - Weekends away UK
- 7.7% - Holidays UK
- 1.8% - Other

You can also conduct a survey with your people to gain a better understanding of what motivates them. Of course, everyone will offer different answers, and your findings may vary. Still, if you can meet the motivations of your people with a fair incentives programme, your people will be more inclined to work harder for your business and stay loyal to your brand.

How are you motivating your team with incentives? Here are some questions you should ask your employees as you embrace The Great Reevaluation.



What kind of incentives would you like to see?



Recognition from Managers

Harvard Business Review found that when managers recognized workers' strengths, it resulted in happier workers and a 14% to 29% increase in profit. And a survey by McKinsey discovered that companies could achieve a 55% improvement in engagement by offering social recognition.



Training / Education

Employees today consider ongoing education a priority. EdAssist found that 79% of employees say that tuition assistance is an important or very important factor in joining a company. And employees who participated in Cigna's tuition assistance program were 10% more likely to be promoted and 8% more likely to stay with the company.



Health and wellness incentives

Healthy lunches, on-site health screenings, bike to work reimbursements, standing desks, and annual wellness fairs.



Monetary / Cash

E.g. due to the cost of living crisis, a voucher to pay your gas or electricity bill, or your food shop

- Cash
- Gift cards



Fun Gifts

Fun gifts, like event tickets and on-site perks (massages, catered lunches), and birthday celebrations, demonstrate appreciation and improve employee morale.



Extra time off

Extra time off is a valuable retention tool, appreciated by employees for its recognition of their long service, support of working parents, and enhancement of work-life balance



Leave the Door Open

“Leaving the door open and leaving on good terms is so important.”

- Josh Averill, Sales Director, Pareto

Unfortunately, the harsh reality is that you can't retain everybody. However, there are ways to part on good terms to increase the chance of your former employees returning. So, if an employee decides to leave your business, be it for financial gain, a career change, geographical reasons or circumstances beyond your control, and you've done everything you can to keep them, knowing how to manage this loss is crucial for your reputation.

It's important to note that your existing talent will notice how you treat employees who leave your business. If your current staff see how positively you deal with these situations, they will retain that as you being a fair and ultimately great employer to work for.

“If somebody does decide to leave, obviously you've got to do what you can to try and keep them, but also you have to realise you can't keep everybody. I've had people that have left who I was sad to see go, but I still tried to give them advice and support. I've told them to go and try working elsewhere, and if it turns out not being the right thing, then we will always be open to chatting to see if we can bring you back.”

- Josh Averill, Sales Director, Pareto

Talent who leave your business will always remember how you treated them on their way out. So, if you manage the situation right and leave the door open when they do go, they may realise the grass isn't greener.



Don't just take our word for it. Hear from our people



Afsheen Chowdhury

Sales Manager, Pareto

"I missed the brand and the culture. When you grow up doing something from day dot as a graduate, you do get really invested in the brand and the culture."

Afsheen joined Pareto as a graduate in 2006 and worked from a Sales Manager to a Business Development Manager. After 10 years of building her portfolio with us, in 2017, Afsheen decided to go it alone and pursue her own business. After proving she could do it alone, Afsheen realised she missed the feeling of being successful as part of a team and the culture of Pareto.

"I got lonely doing it on my own. I'd sell something, and I'd just be high-fiving myself in the pub, and I wouldn't have anyone to celebrate with. I just missed the team and having to celebrate with other people. I came back because Andy called me directly and said it's time that you came home, which made me emotional. And I thought, you're right; it's time I came home."

Josh Averill

Sales Director, Pareto

"It genuinely felt like coming home to me."

Josh joined Pareto in 2015 and worked his way up the ranks, going from a Graduate Sales Manager to a Senior Sales Manager in the space of six years; Josh decided to pursue his passion for tech by exploring other opportunities. After a few years away from Pareto, Josh returned in March 2022 as a Sales Director after missing the way Pareto sold and the team he worked with.

"From a money perspective, that definitely wasn't what brought me back. It was that I loved selling what Pareto do because it's so quick and efficient. But the other thing for me was I loved working with the team and missed being around the people."



Retaining talent is more than just providing more flexibility, higher salaries, and greater career progression. It's about creating a culture of firsts, realising the potential of role models, promoting potential from within, empowering personal connections, reevaluating your employee motivations and leaving the door open for your people.

Collectively, to retain your talent and become part of The Great Retention, the goal of your business should be to create a transparent environment and culture that feels like home because, ultimately, "there's no place like home."

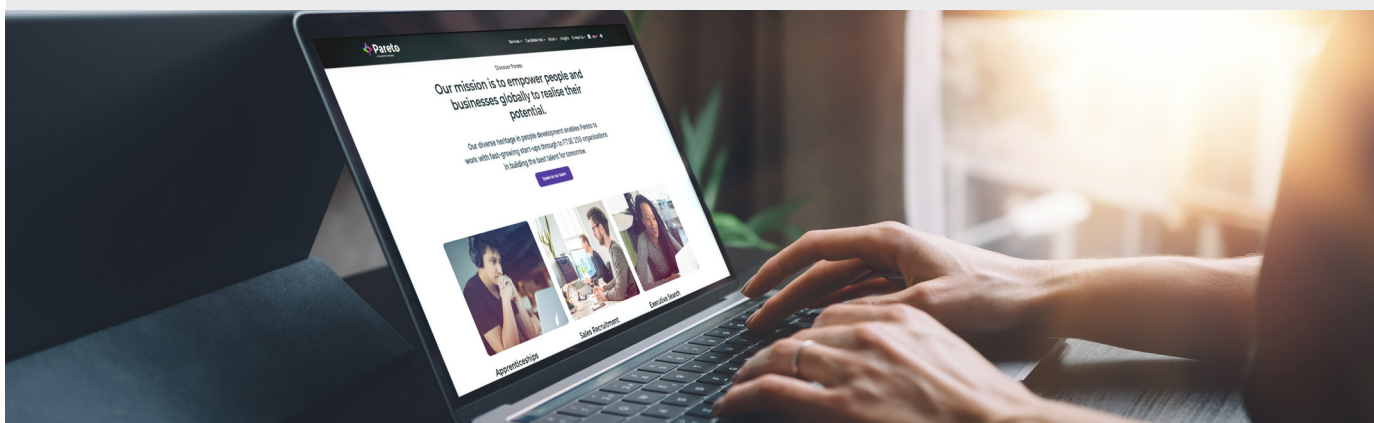




Retain your talent with Pareto

If you would like further support in retaining your talent, we can help. At Pareto, we specialise in assisting organisations in building and nurturing successful sales teams. Our recruitment experts understand the value of a good hire and have developed industry-leading methods to help businesses retain top talent.

[Speak to our team](#) today about how we can help you retain and motivate your talent.



Who are Pareto?

360k

Hours of training delivered globally every year

130k

Applications received every year

25

Assessment days every month

