

Strategic Report

Employee Retention

Prepared by Scott L. Murphy

Employee retention consists of a seven major components: compensation, benefits, acceptance, respect, recognition, fulfillment, and self-development (Figure 1.). If these components are adequately and collectively addressed, the majority of employees will be content with their work environment and actively engaged in their job. Having a well-developed retention plan is critical to the success of your organization. This strategic overview examines employee retention and provides a framework for developing an effective retention plan.

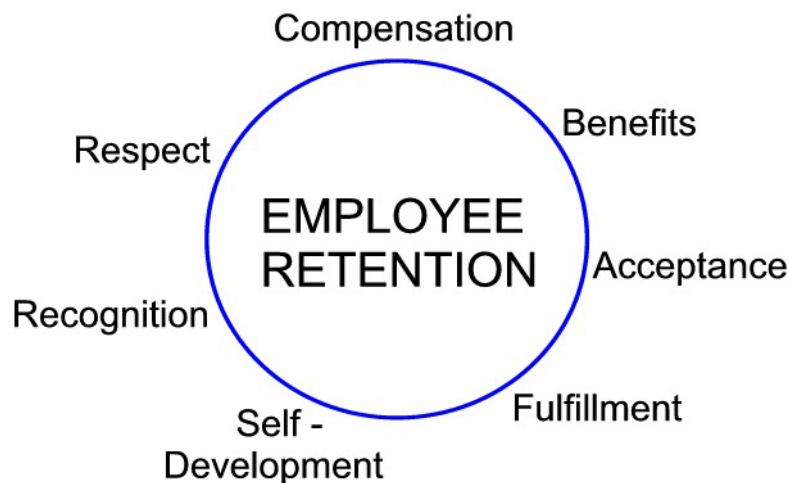


Figure 1. The seven major components of employee retention.

Depending on the position and industry, employee turnover costs range from 25 to 100% of a departing employee's salary. Across the organization, annual employee turnover costs can average over \$10,000 per non-executive employee. For executives and professionals, replacement costs can be as high as twice the annual salary. In addition to replacement costs, low productivity among dissatisfied and unmotivated employees creates enormous hidden expenses within the organization. A Gallup Management Study found that 54% of employees were classified as "not engaged" in their work environment; they did the minimum required to maintain employment. These disengaged workers cost U.S. employers over \$300 billion per year in lost productivity. Those losses do not include the intangible value of lost creativity, passion, and innovation that come from contented, motivated workers. Understanding the components of employee retention and building a solid retention plan can mitigate these costs and increase efficiency, morale and productivity.

TO OBTAIN THE FULL VERSION OF THIS REPORT, CLICK THE “BUY NOW” LINK ON OUR PUBLICATIONS PAGE:

<http://www.bioinfoegen.com/publications.html>

Full version includes:

- A detailed analysis of the 7 major components of retention.
- A retention plan framework that incorporates the 7 major components of retention.
- Fully referenced text, including a consolidated list of retention-related references.