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## **6 Reasons Employees Stay (And 24 Others that Don't Matter that Much)**

Imagine yourself at lunch with five of your colleagues. You ask them this question - "Why do people stay with their companies?"

Mayhem ensues. "Pay." "Manager." "Team cohesion." "Fairness." "Culture." "The work." "Feedback." "PTO." "Jobs available." And on and on...

Why do your colleagues offer so many different answers? Because most employees form their opinions on very different professional experiences. Or they each read different articles that 1) are positioned as "research" and 2) sound compelling. Or they heard it from a credible colleague who positions an opinion as fact. On and on again.

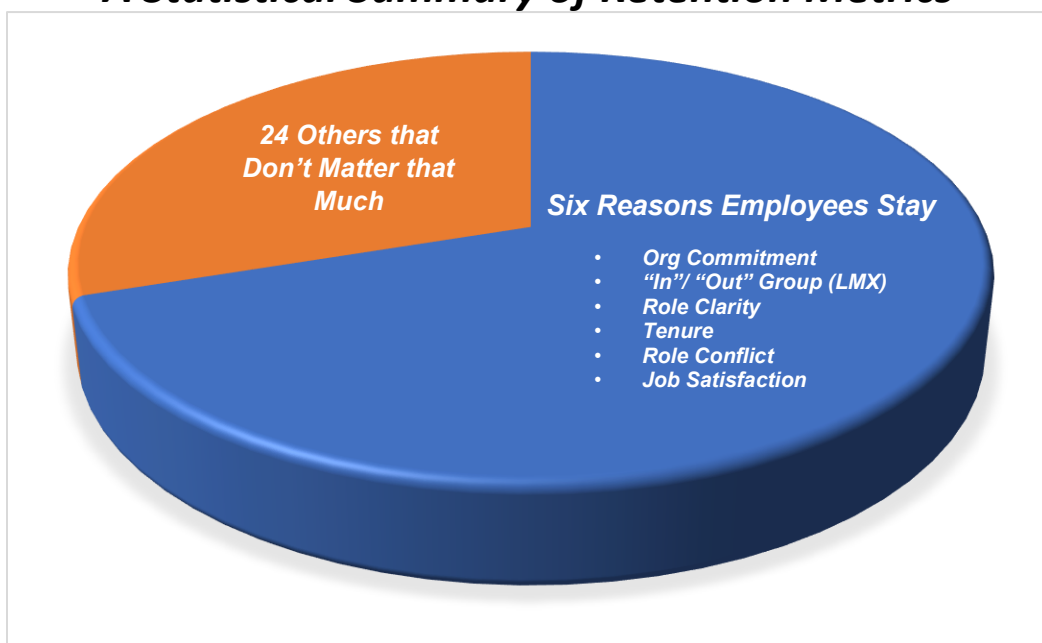
You'll find this article very different. It's a practical, easy-to-understand summary of the **scientific evidence** related to retention. Carefully defined, precisely measured factors that hold up to rigorous quality standards time, after time, after time. If it's published in a professional journal (like the statistics in this article are), you can rest assured that it has been scrutinized and approved by many independent experts to get there.

Here's one example that captures how scientific evidence might be produced:

- *Group 1* - 70 high-tenured employees at various companies.
- *Group 2* - 70 employees who left the same companies.
- Both groups have similar demographics, similar jobs, similar employment markets, etc.
- *The Question* – Are wages for Group 1 statistically different than wages for Group II?

Now the metrics...

### **A Statistical Summary of Retention Metrics**

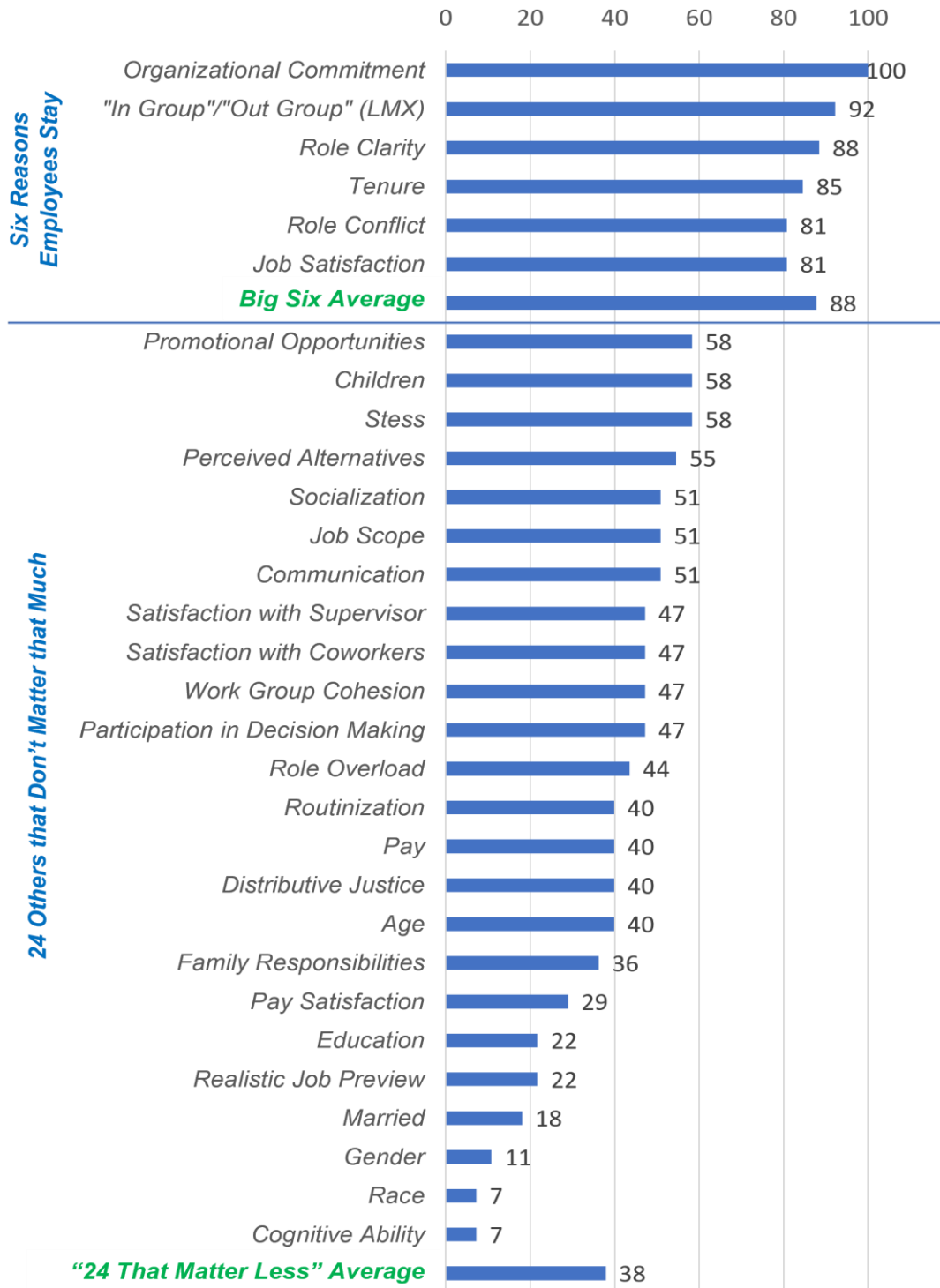




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And the details...

### Statistical Impact on Retention (0 to 100)





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### **Thoughts on the Statistics Above**

- *Pay doesn't matter that much* - Increasing compensation is the first thing that most managers do to retain their employees. The reality – “pay” and “satisfaction with pay” don't matter that much. They rank 20<sup>th</sup>/24<sup>th</sup> out of 30...bottom third or lower. Compensation increases only force other companies to pay a little more for your people. It's difficult to imagine that creating the additional expense incurred by a competitor would create a competitive advantage for your company.
- *“Satisfaction with Supervisors” doesn't matter that much* - “People don't leave companies, they leave managers” is a commonly used phrase in employee retention discussions. While managers do impact important reasons like “Role Clarity” and “Role Conflict”, “Satisfaction with Supervisor” doesn't matter that much.
- *Not all turnover is “bad”* - One theory of leadership called “Leader/Member Exchange” suggests that managers place their employees in one of two categories - “In Group” employees have a higher quality relationship than those in the “Out Group”. (See “In Group/Out Group (LMX) in above chart.) Leaders usually base placement at least partially on employee performance. This produces proportionally more turnover in the lower-performing “Out Group” - also known as “good turnover”.
- *Isn't “Tenure” obvious?* - It sounds like it, but it's actually quite useful. If you're going to spend time and resources improving retention, focus more on newer employees.

### **Anything Else?**

We are committed to publishing articles that are brief and understandable. If we missed something that's important to you or you want more detail contact us via [our website](#) or [email us directly!](#)

### **Source and Method**

Allen, D.G., Bryant, P.C., & Vardaman, J.M. – “Retaining Talent: Replacing Misconceptions with Evidence Based Strategies, Academy of Management Perspectives, 48-64.

These authors extracted and synthesized correlation coefficients from 14 scientific articles on retention. We transformed their correlation coefficients into z-scores. The z-scores we produced formed the foundation for the metrics in the two charts above.

