



How to Keep Your Employees Happy During **THE GREAT RESIGNATION WAVE**



The pandemic has significantly impacted people's professional lives, and as countries move towards the endemic stage, things are changing.

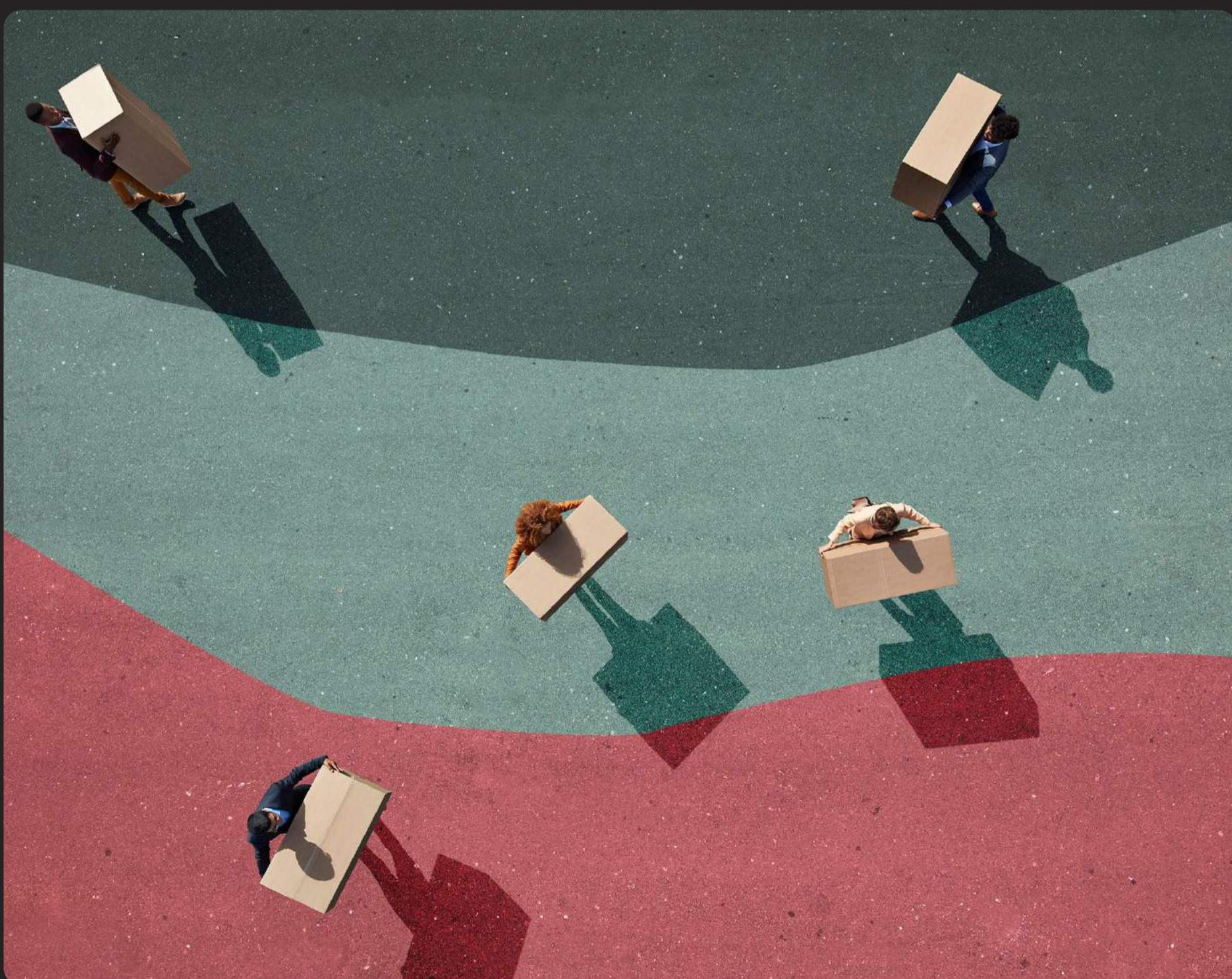
According to a CNBC news report, **4 million Americans quit their job in April 2021**, hitting a two-decade high turnover rate. In May 2021, another **3.6 million Americans followed** and decided to leave their present careers.

This mass exodus of employees has sparked a new conversation on what experts refer to as "The Great Resignation Wave."

What is The Great Resignation Wave?

Employees across America who held onto their jobs during the pandemic finally decided to make new life choices. With a record number of resignations in April, numbers have stayed steady and high over the last few months.

Here's everything you need to know about this economic phenomenon and how it can affect your business.



1. Mid-career employees have the highest resignation rates

Employees between 30 and 45 have registered the highest resignation rate, with a jump of almost 20% between 2020 and 2021.



What about younger employees? Here are the highlights:

- Over the last year, employees between the ages of 20 and 25 have had a reduced resignation rate.
- It is probably due to the lack of demand for inexperienced workers and their growing financial uncertainties.
- On the other hand, employees aged between 25 and 30 have had a slightly increased resignation rate since 2020.

Typically, the employees in the 30 to 45 age group form the majority of the company's organizational structure. A higher resignation rate among them could weaken most companies.

2. Older employees have had mixed responses

Resignation rates among employees above 60 have reduced in the past year. However, professionals over the age of 45+ have recorded slightly higher resignation rates.

But why have numbers been so much higher among mid-level employees? Here's a look at a few reasons that could have led to the shared sentiment across industries and geographies:

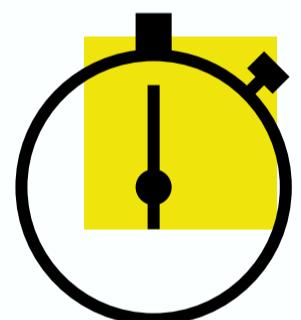


Thanks to remote working

A lot of companies are focusing on hiring more mid and management-level employees compared to younger ones. The reason for this is simple.

Younger employees will not have the opportunity to learn on the job.

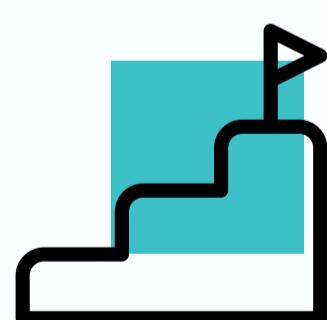
So, companies are hiring people with enough relevant experience to work independently, without hassle.



Delay in transitioning

Another possible reason for the emphasized participation of mid-level employees is because a substantial number of them may have delayed moving into new positions during the pandemic.

If this is the primary reason people change jobs, companies will witness an increase in the resignation rate with time.



Reflecting on their goals

A lot of employees who started working from home because of the pandemic were tormented with:

1. Pay deductions
2. High work pressure
3. Hiring freezes
4. Mental health
5. Lack of interaction

These factors have forced them to rethink their jobs and life goals. Many have shifted industries during the pandemic as well, creating a vacuum in corporate America.

3. The highest resignation rates are in the tech and healthcare industries

The Great Resignation Wave has not hit all the industries in the same way. There was a dip in resignations in sectors such as finance and manufacturing. However:

- The turnover rate increased by 3.6% in healthcare and 4.5% in tech industries

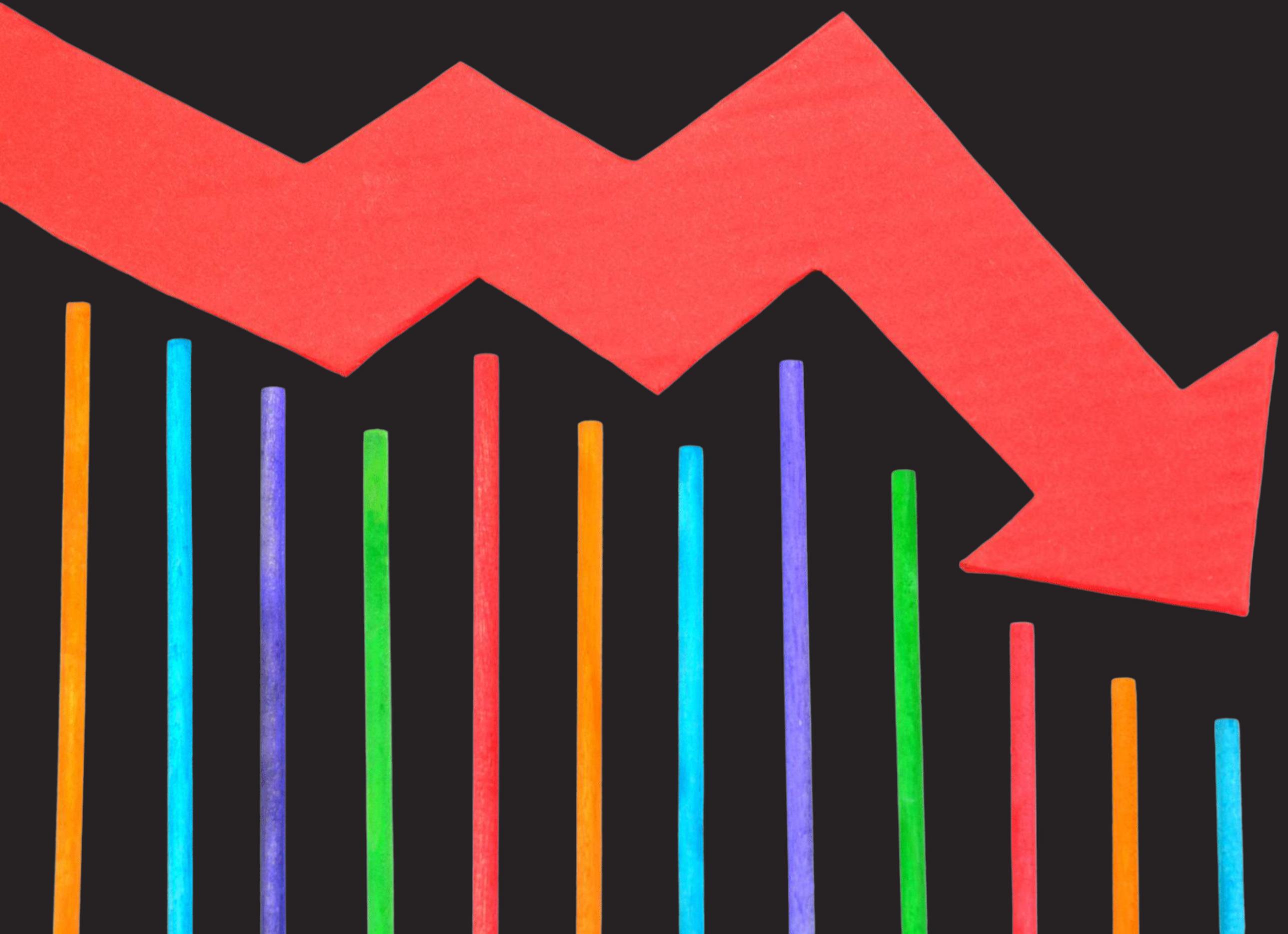
This could be attributed to increased work pressure in both industries because of the pandemic. The increase in labor requirements combined with hiring freezes and a collapsing infrastructure has possibly led to employees in these industries burning out.



As the trends go steady, what can employers do to ensure they can tackle the labor crisis and protect their business from its impact?

Ideally, companies should take a more data-driven approach to improve retention and negate the root causes of high turnover.

Here's a step-by-step guide to help you analyze how The Great Resignation Wave might be affecting your company.



Measure the problem

Before moving into the causes, companies need to quantify the turnover rate and its impact on business. Use this formula to calculate the retention rate of your company:

The number of Resignations/ Year divided by Average Total Employee Count = Turnover Rate.

Companies can modify the formula depending on whether they want to measure voluntary resignations vs. layoffs and firings. How does this help?

- It helps companies gain visibility regarding their retention problem.
- It enables you to measure the impact of resignations on your key business metrics.

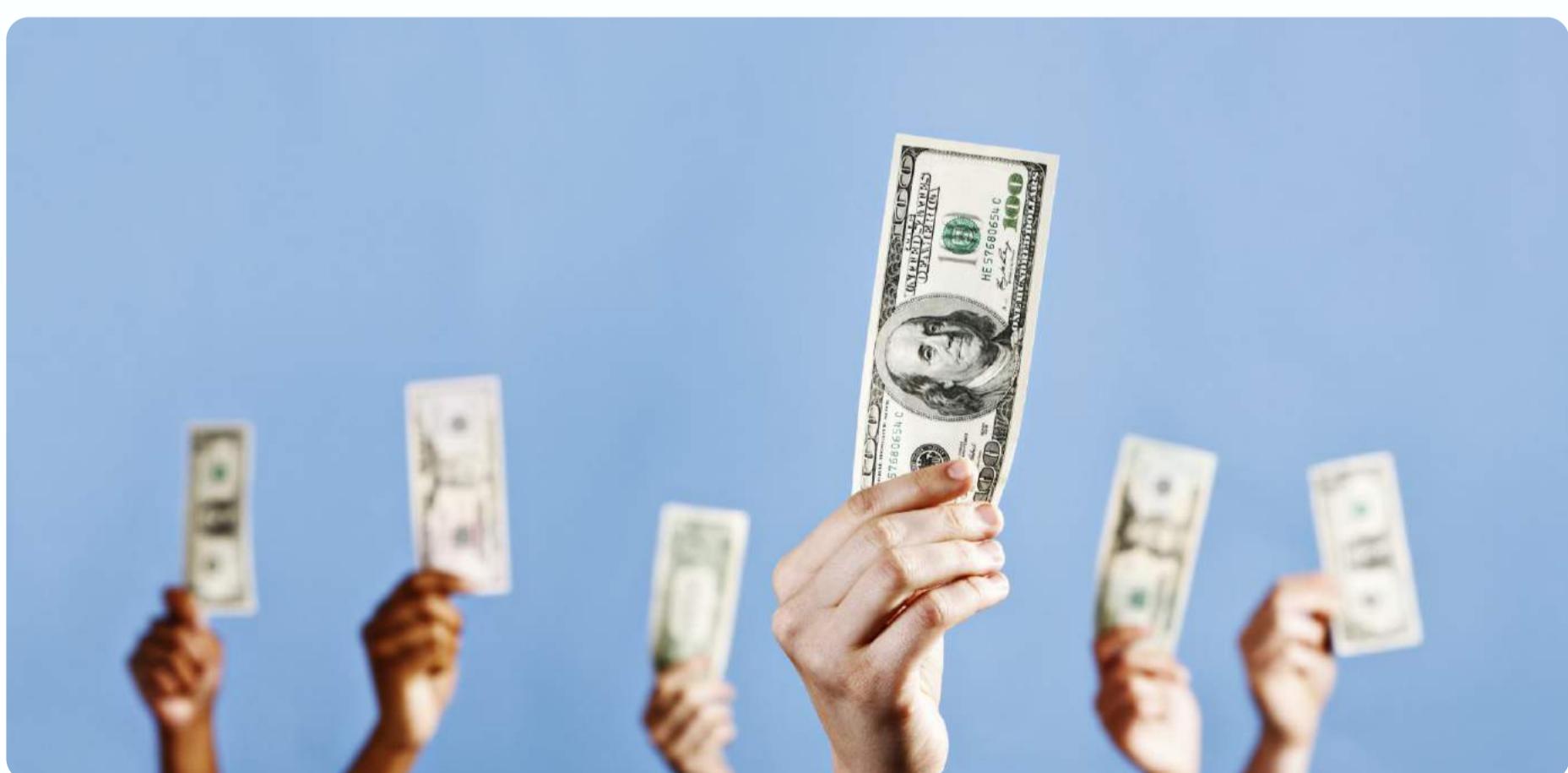
When experienced employees quit a company, they leave behind a disintegrated team, affecting work quality, deadlines, and overall revenue.

Only when companies start analyzing the numbers do they understand the cost incurred on the organization per resignation.

What are some of the costs that come with a high turnover rate?

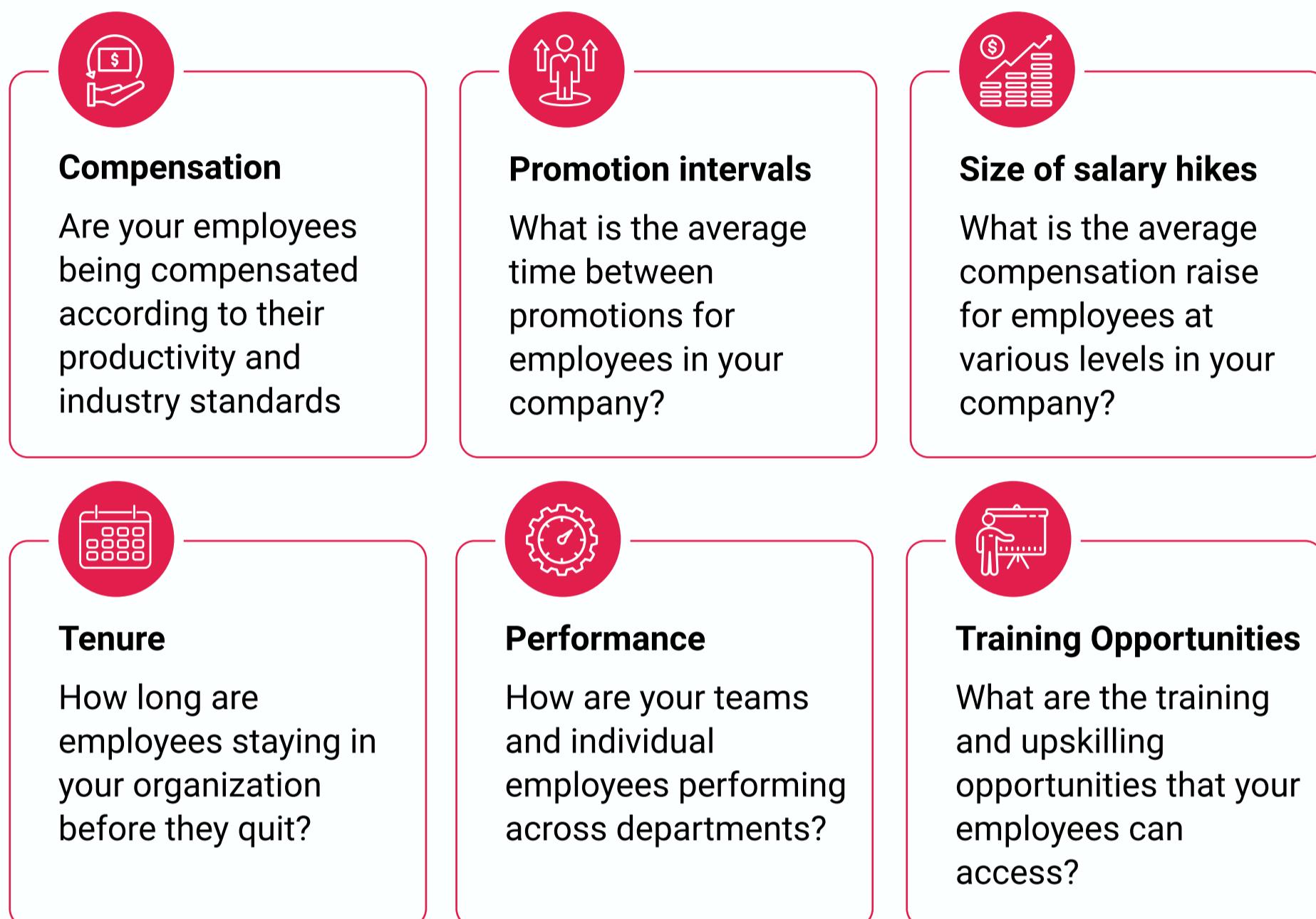
- Hiring costs and payable-hours spent looking for candidates by Human Resources
- Training costs of new employees
- Outsourcing costs in some cases

These could be accumulating to dent overall revenues by millions of dollars, crippling their businesses in the long run.



Identify underlying causes

After narrowing down on the impact of your turnover rate, you must investigate the underlying factors. Let's look at some of the common factors that drive your retention rate down:



A few other factors that can also play a role in your turnover rate are:

1. Location

Is your company ideally located for all employees who are resigning from your organization?

2. Function

Are employees happy with their role at your organization?

3. Remote working opportunities

What are the remote working policies in your company, and how flexible are they for each employee?

4. Company culture

How do employees react to your company culture, and are they happy with it?

Only after analyzing each of these factors will you be able to identify the leading causes of why your organization is experiencing a high retention rate during The Great Resignation Wave.

It will also help you narrow down which of your employees have the highest risk of leaving your organization and what kind of interventions can evade the situation.

Implement Customized Retention Programs

After identifying the underlying causes, you need to create highly personalized programs that will help you address the issues leading to a high turnover rate in your organization.

Here are a few retention programs you can implement:

- **DEI Approach**

The DEI approach stands for diversity, equity, and inclusion. This retention program is effective in companies where the data shows a higher resignation rate among minorities.

- **Advancement Programs**

In companies where promotions find strong correlations to turnover rate, advancement programs that allow employees to upskill and apply for upgrades are popular.

While working to address these issues and fortify your employees against The Great Resignation Wave, you will come to realize the importance of data in helping you find quick solutions for each of these problems.



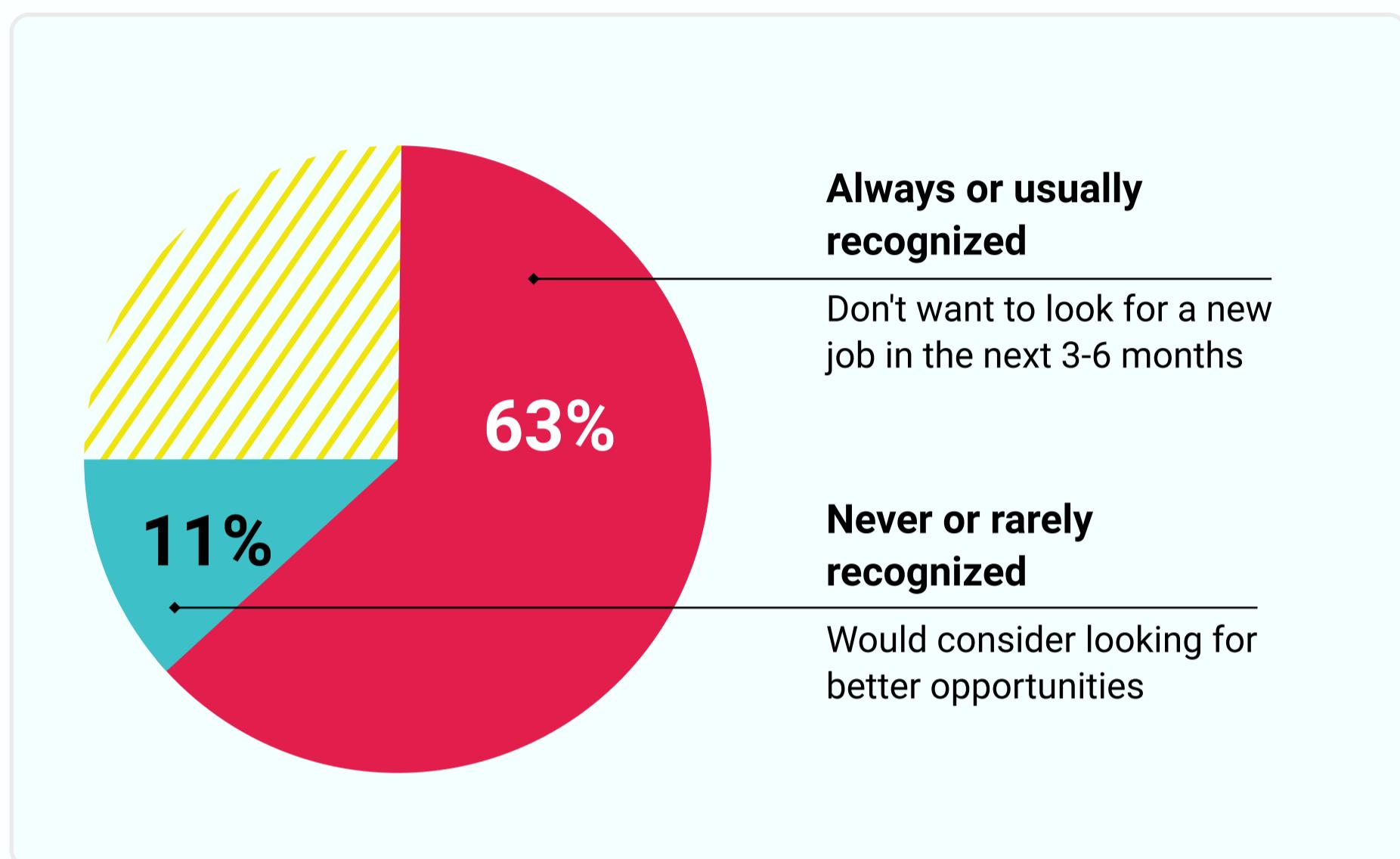
Companies can also choose to start a customized rewards and recognition program to consolidate their employee retention plans.

Before we get into the why, here's a quick look at some statistics that shed light on employee rewards and recognition.



63% of employees who feel recognized do not look for a new job

A SurveyMonkey collaboration survey of 1500 employees found:



- Regular employee recognition creates a sense of purpose among your teammates.
- Also, it builds communication so that employees can choose to grow within companies instead of separating.

40% of employed Americans would put more effort into their jobs if they felt recognized

An OGO survey revealed that lack of recognition hurts employee emotions.

- 82% of Americans feel they are not adequately recognized.
- Recognizing employees ensures that they are more productive and put their best work forward.
- On the other hand, low employee morale reduces enthusiasm leading to separation.





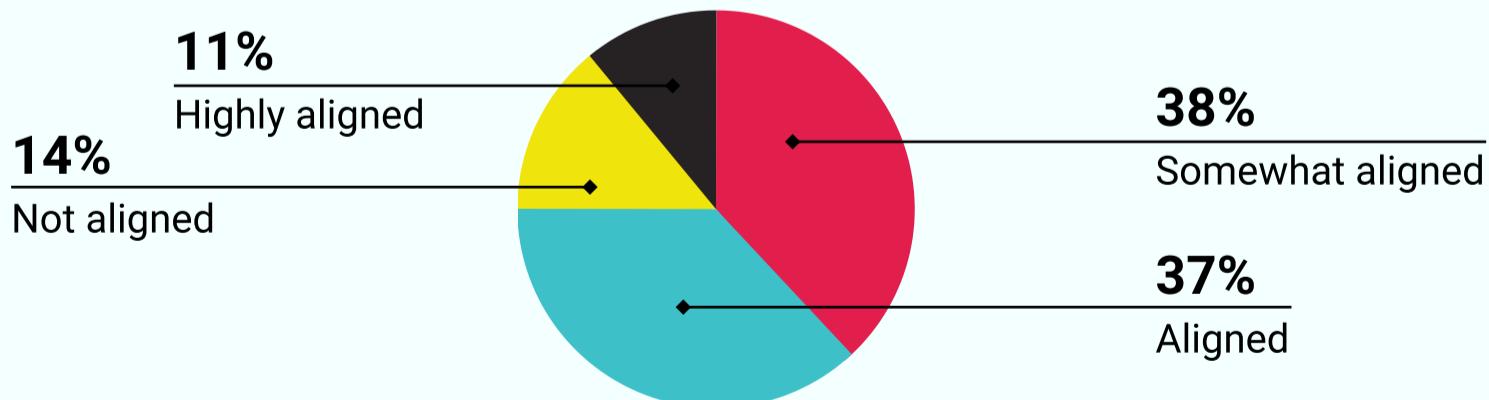
70% of employees who are promoted after three years are likely to stay on

A LinkedIn survey conducted with 32 million professional profiles found that:

- One of the easiest ways to retain top-performing employees is to promote them every three years.
- Employees who do not have job role changes after three years only have a 45% chance of being retained.
- Combined with rewards and social recognition, growth opportunities within the company are more likely to retain top talent.

52% of employees believe that their company reward strategy does not align with its goals

A Deloitte survey of 9,400 businesses and HR professionals revealed that most employees are not satisfied with their rewards and recognition program.

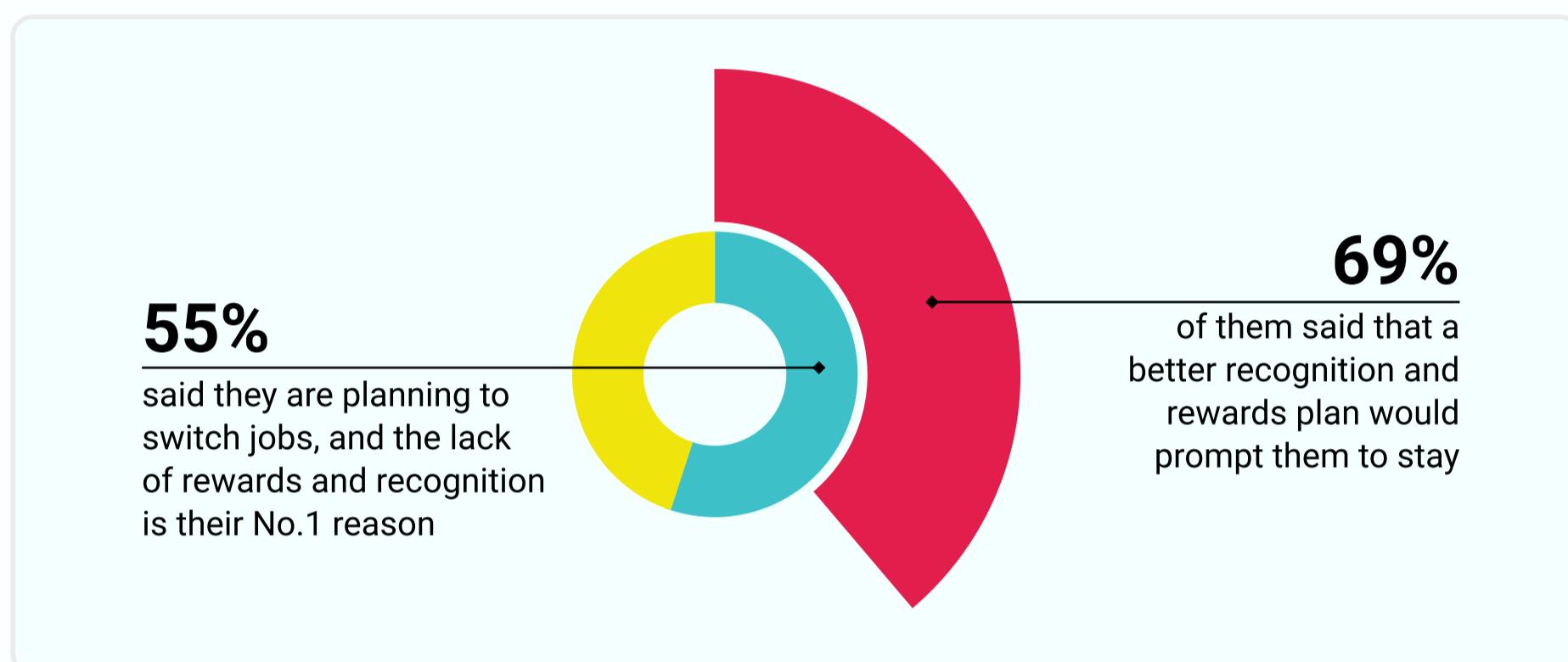


- High attrition rates demand that companies revisit retention programs and their synchronization with company goals.
- Rewards need to be viewed more holistically to motivate the workforce and foster meaningful workplace relationships.

44% of employees are switching their jobs because companies lack employee recognition

An employee survey on rewards and recognition revealed:

- 1700 respondents feel that recognition and rewards are directly correlated to retention.



- Companies should implement performance management tools to monitor employee performance and highlight critical contributions.
- Weekly feedback meetings with all employees keep the average productivity high and the workforce more motivated.

60% of employee rewards and recognition programs site retention as their crucial objective

- 23% of companies measure the success of their retention program by analyzing turnover rates.
- Strategic employee retention is likely to become a staple HR policy to contain high attrition rates.
- With predictive analytics that helps identify flight risk employees, companies can now design employee-specific programs.

As remote working becomes a norm, the competition to acquire top-tier talent grows stiffer.

Companies should target improving retention rates to drive down costs, nurture a talent pipeline, and contain high turnover rates.

Let's take a look at a few companies that have activated an effective retention and rewards program.



Zappos and its Four-Pronged Retention Program

Multinational e-commerce chain Zappos is known for its cultural focus.

- The company has a layered retention program that abides by its core value of "doing more with less."
- It has a peer-to-peer recognition program that focuses on low-value and high-frequency rewards.
- Employees can earn redeemable Zappos Dollars for attending training programs by the company.
- Many of their rewards are also location-specific. For example, their Las Vegas branch allows employees to reward their peers with a weekly particular parking spot, which is hard to find in the city.
- The company also has peer-to-peer bonuses and the Zappos Hero program.





GE Healthcare embedded recognition into its culture

After GE changed its manufacturing process between 2010 and 2014, the company took active steps to reform its culture and embed recognition.

- The company created an Employee Forum that focuses on continuous communications.
- Regular employee-manager check-ins also followed up weekly meetings.
- A wall-mounted dashboard highlighted performances and contributions.
- Teams conducted Friday meetings in the comfortable environment of site restaurants.
- They also formalized employee recognition and six-word success stories as part of monthly team briefs.

Apple focuses on paid leaves for everyone

The tech giant has consistently ranked high in workplace satisfaction. It was named The Best Private Sector Employer in the UK in 2018 by Indeed. It also ranked 6th on LinkedIn's best companies to work for in the U.S.

- Apple's employee recognition program has provided its employees with paid extended holidays to help them unwind.
- It also offers paid extended cultural holidays like Thanksgiving.
- It has a customized rewards program for employees in different locations and rewards retail employees with paid leaves at a time of their choosing.
- The rewards program is tailored for cultural, personal, and regional requirements.



Now that we have studied the highlights of some of the best retention programs, let's find out how you can effectively contain turnover rates during The Great Resignation Wave.



6 Ways in Which an Employee Rewards and Recognition Program Helps Lower Resignation Rate



When companies focus on high employee connection, employee progress, and employee development, they are perceived well by both customers and employees.

The above chart shows a clear relationship between employee recognition programs and increased revenue. With the proper steps, your company can also grow amidst the resignation crises, and here are seven ways rewards and recognition programs will play a part.

1. Increase employee motivation

Organizations that offer employee recognition can boost motivation and build a positive mindset among their workforce.

However:

- 89% of managers think they have a fair employee recognition program.
- Only 62% of executives agree.

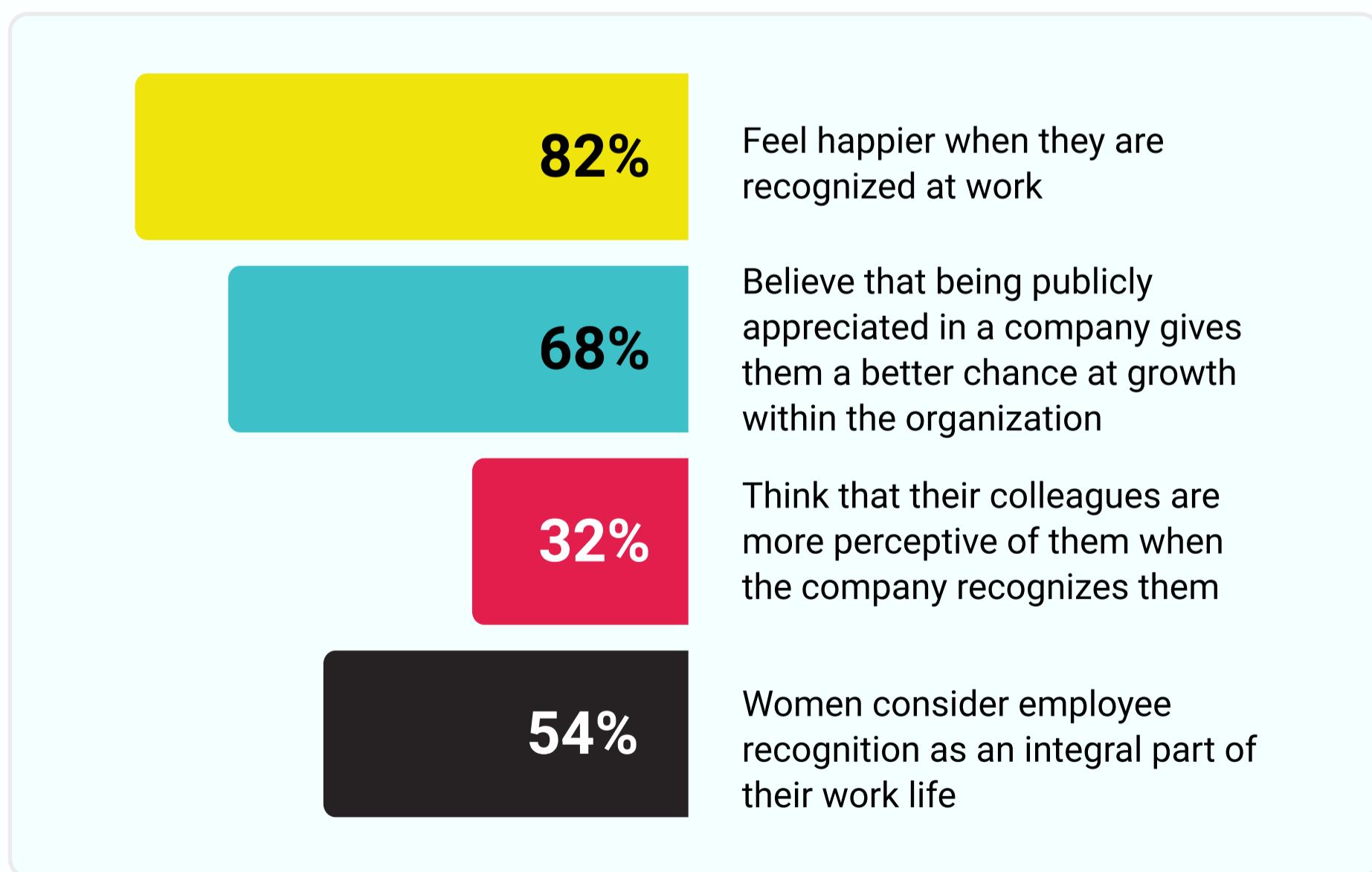
The evident disparity between the two opinions shows the need for specialized intervention to kickstart a program that connects the company and its employees. They also have other benefits like:

- Encouraging collaboration.
- Building interest in their work.
- Building employee satisfaction.

In the long run, it assures employees that the company looks after their best interests.

2. Shows appreciation

It is impossible to contain the turnover rate in any company without focusing on employee appreciation. A customized rewards and recognition program helps you achieve that and more.



When you have a rewards and recognition program that shows appreciation, you cater to your employees' emotional, financial, and social needs.

3. Encourages healthy peer competitiveness

Recognition programs instill a sense of competitiveness among colleagues, with people trying to become top performers and having their contributions validated.

- Being rewarded and recognized helps them feel more accomplished.
- It rejuvenates their confidence in what they do and what they are capable of.
- Builds aspirations among employees to do better and aim higher.
- It also creates competitiveness between different teams in the organization.

This increases your overall productivity, building on revenue and eventually helping your company thrive in any situation.



4. Improves productivity

Companies with customized rewards and recognition platforms witness improved productivity in the long run.

- Workers and staff are more driven towards incentives.
- Increases efficiency among individuals and teams.
- Have a more goal-oriented approach to their work.
- Teams manage their time and energy efficiency to reach those goals.
- Improve work quality because of rewards and recognition.

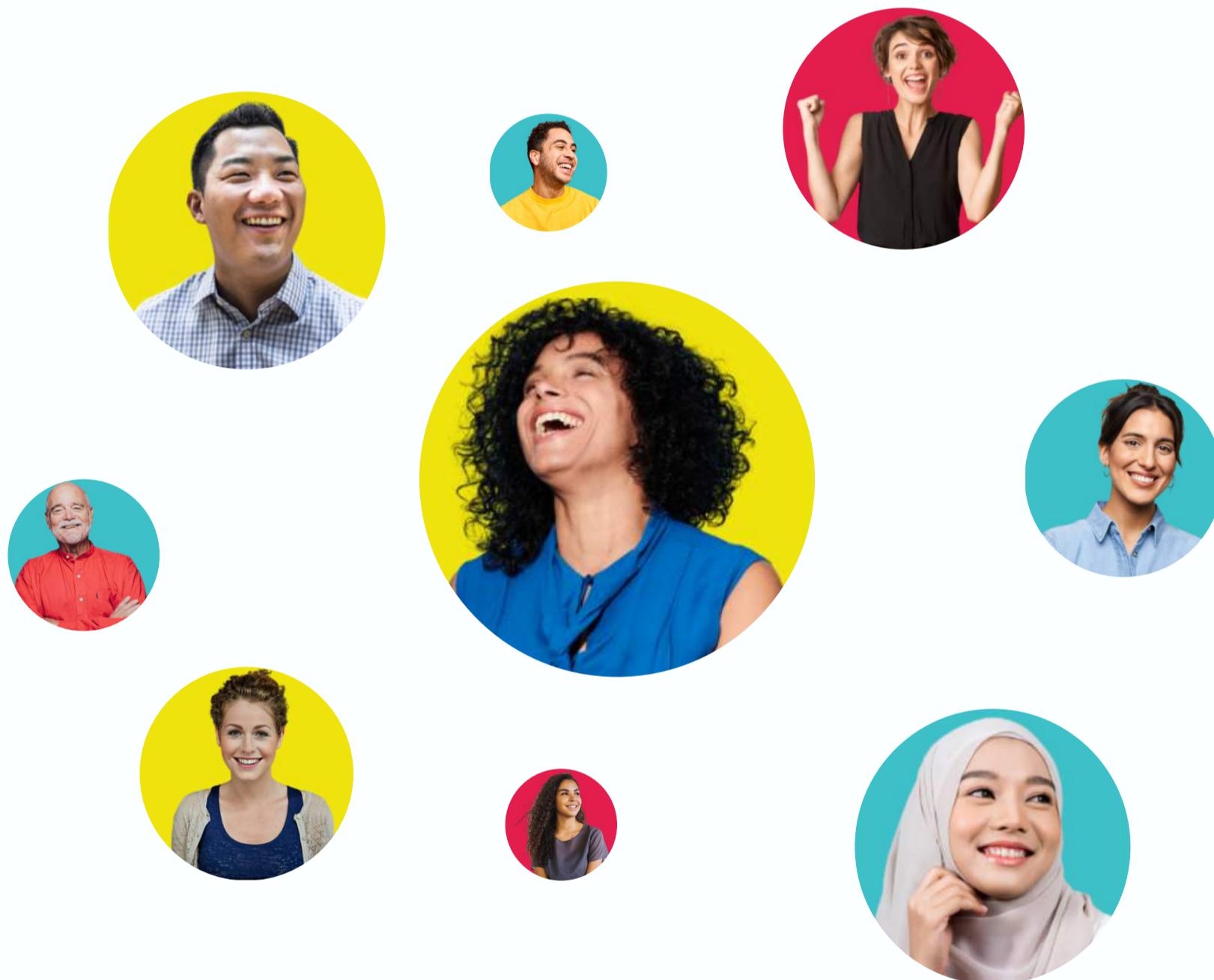
Employees also feel more accountable for their work and try to do their best.

5. Boosts employee retention

An HR professionals survey revealed that 68% believe having a rewards and recognition program boosts employee retention.

- A satisfied workforce is unlikely to look for separation.
- Employees want to work for companies where they can always be more.
- The most popular forms of employee rewards are cash bonuses, management recognition, and awards.

Setting up a program that removes glass ceilings and makes employees believe that there is always more to be achieved helps you retain and nurture your team.



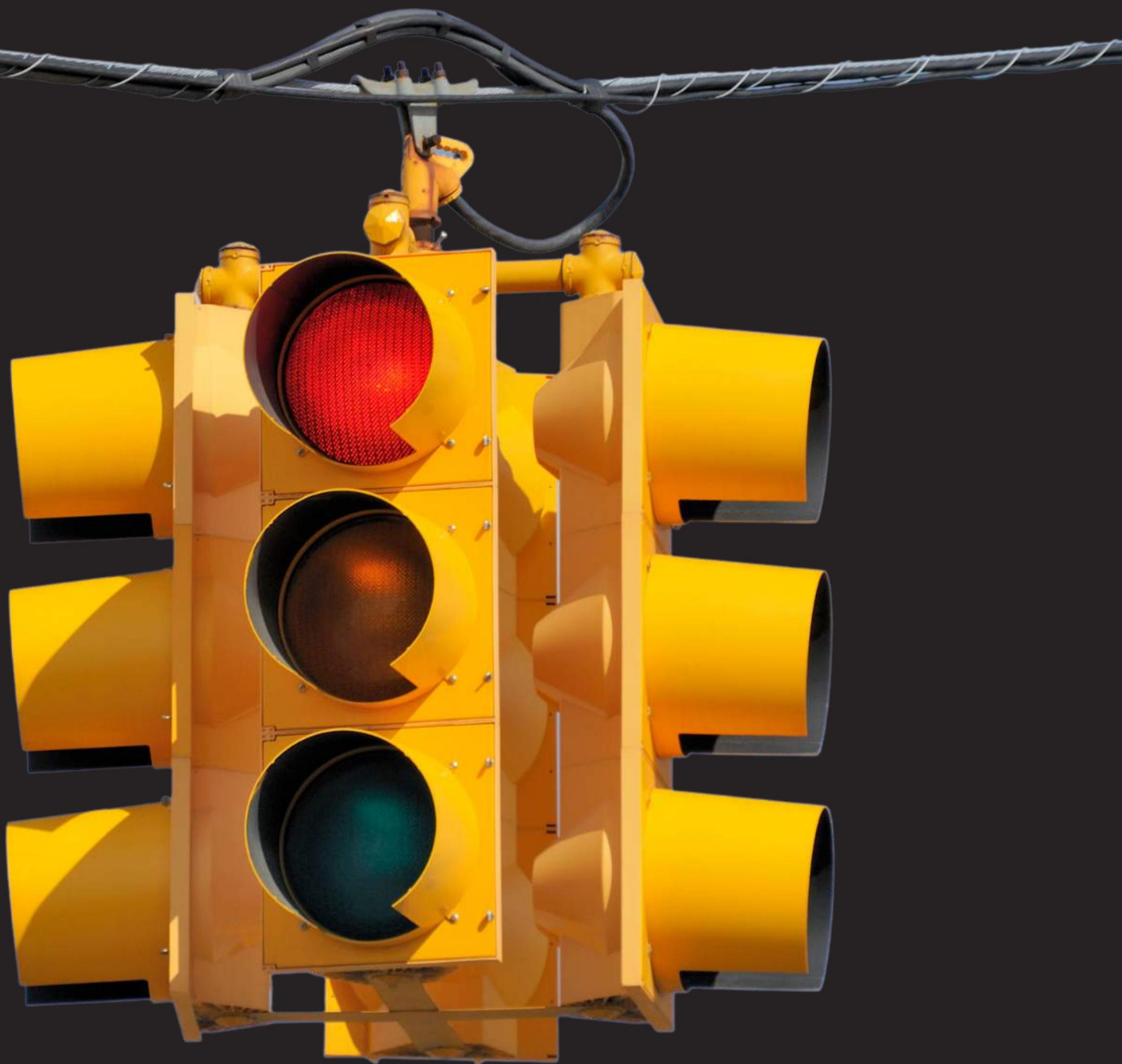
6. Creates a positive work environment

When employees are satisfied, productive, and motivated, it creates a more positive work environment for everyone.

- Having a rewards and recognition program means that employees don't just work to meet deadlines.
- Company culture is considered the most critical aspect of successful companies.
- Teams are more collaborative with each other, enhancing company-wide communications.

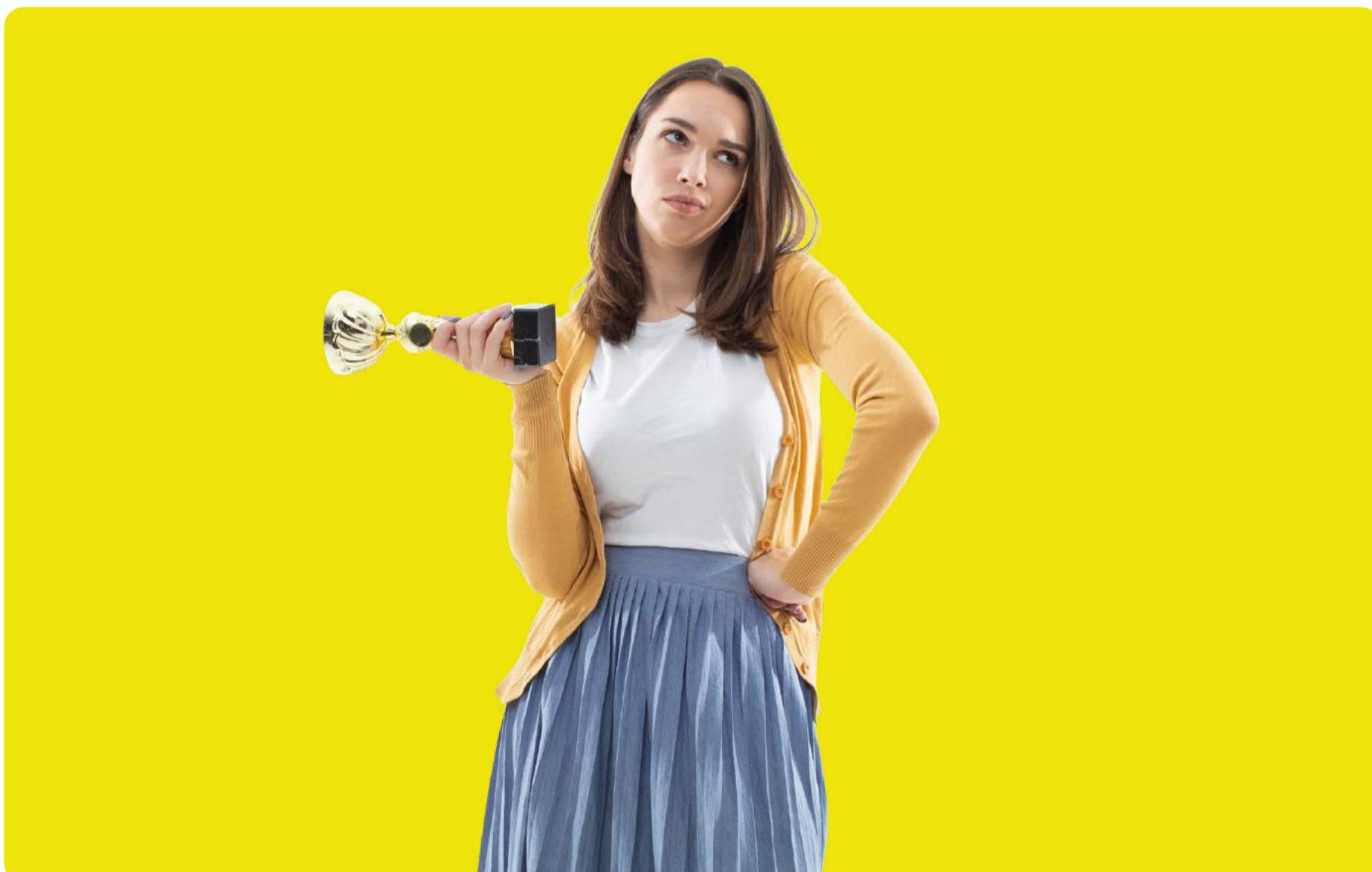
All of these things factor into building a solid foundation for the company.

But having a rewards and recognition program does not do much if it isn't the right kind. To elucidate further, here are a few DON'Ts that you should avoid while setting up your program.



6 Things to Avoid in Your Company's Rewards Program

Abiding by these rules will ensure that your rewards program fulfills its purpose of motivating the workforce instead of becoming irrelevant.



1. Do not promise rewards in advance

Unless you have the process ready, do not promise rewards before milestones have been achieved. This might:

- ✖ Reduce motivation among employees.
- ✖ Fail to make them understand the purpose of the program.
- ✖ Disorient their goals and create roadblocks for other employees.

Therefore, make sure that you are consulting a professional reward and recognition service provider.

2. Do not go overboard with rewards

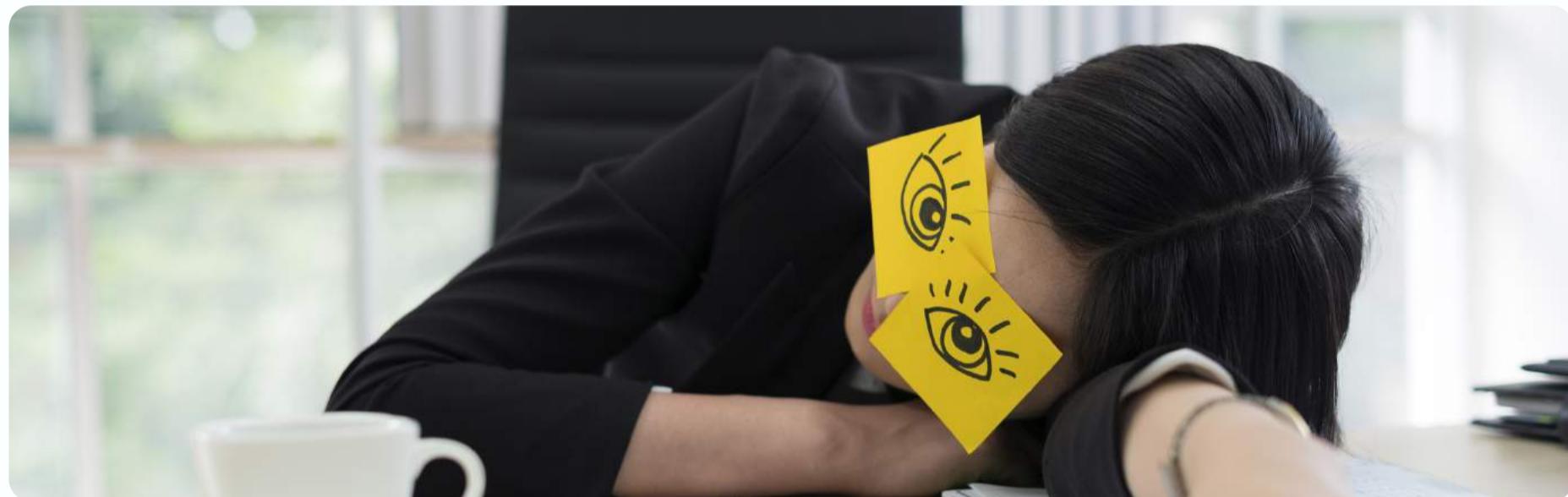
Make sure that your rewards are in sync with their accomplishments. Some contributions are more beneficial than others, but going overboard might hurt your company.

3. Do not keep long intervals between rewards

Companies that cannot follow through with their rewards program disappoint their employees more than ones that do not have one.

- ✖ It reduces the integrity of the company and the value of its word.
- ✖ Creates negative PR.
- ✖ Sends a message of lack of structure within the organization.

On the other hand, frequent rewards keep employees motivated and looking forward to more.

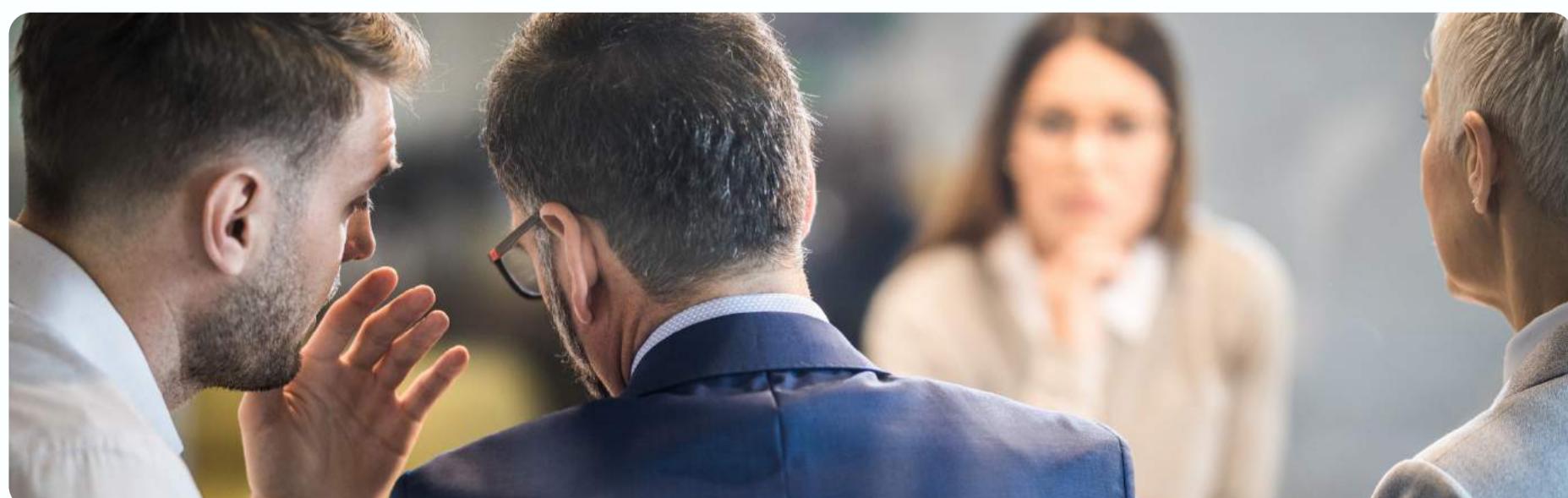


4. Do not reward privately

Employees enjoy rewards because of the recognition that comes with them. It makes them feel more at home in their workplace.

- ✖ Private rewards show a lack of trust and opaque work culture.
- ✖ It takes away the feeling of being recognized.
- ✖ Creates damaging competitiveness among peers.

Public rewards make everyone happy and also become a platform for communication.



5. Do not just reward outcomes

A transparent culture is created when companies reward behaviors and not just outcomes.

- ✖ Rewarding based on outcomes seems transactional to employees.
- ✖ It can often overlook teams that do not have an empirical output on company revenue.
- ✖ Creates the wrong example about employee recognition and rewards.

Companies should celebrate all sorts of professional and individual qualities in employees, whether it be sales or taking engagement initiatives in the organization.



6. Do not just reward executive employees

Each member of the organization wants to be appreciated. If we go back to the data of The Great Resignation Wave, then the highest attrition rates are among mid-career employees.

- ✖ Being in a leading position does not mean that employees are above positive reinforcement.
- ✓ Rewarding across experience levels fosters an egalitarian work culture.
- ✓ It motivates executive-level employees to pursue more prominent roles within the company.

However, just focusing on the lower rungs of the organization can lead to losing top talent and spending twice as much on rehiring and training.

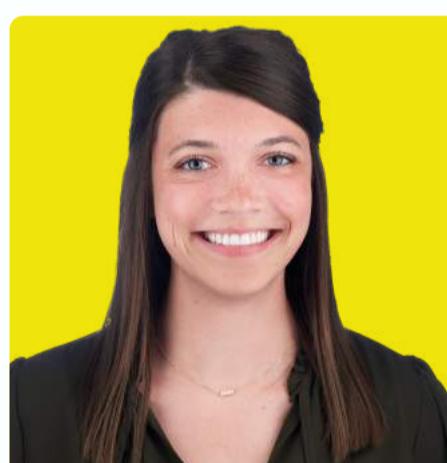


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