Why Employees Quit (and 7 Steps to Retain Them)
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Introduction

Have you ever been caught off guard by a resignation? If so, you've probably asked yourself why, too. On the surface, things seemed fine. The soon-to-be-former employee was a top performer who rarely—if ever—voiced concerns.

Their quitting notice likely spurred you to ask yourself questions like:

» “Why did they leave when things were going so well?”
» “If they had problems here, why didn’t they say anything?”
» “What does this resignation say about the organization?”
» “Was there anything we could’ve done to prevent this?”

This train of thought isn’t unreasonable, especially in the face of uncertainty. But as you look for answers, keep this insight from Harvard Business Review in mind:

“In the frantic need to hire more people, the group we often forget to attend to are the folks who stay. ... Think about what these people — the ones who are here, working for and with you — need now.”

Even exceptional recruitment can’t plug a geyser of attrition. After all, what’s the point of enticing candidates with a future at your company if you know something will likely push them away? Unchecked, rampant turnover can undo company efforts in:

�� MENTORING
�� LEADERSHIP TRAINING
�� SUCCESSION PLANNING
�� LONG-TERM GOAL SETTING

A business can’t achieve momentum without a consistent and satisfied workforce pushing it. That said, some degree of quitting is inevitable. Certain motivators — like an employee’s desire to work in a different industry — will always be out of your control. Mass quitting, however, represents issues you can and should address. Your business’s future depends on it.

Luckily, you don’t have to guess why employees resign. For instance, mass quitting likely speaks to a specific problem HR can identify. Addressing it could trigger uncomfortable conversations — especially if the root cause is a persistent issue — but these conversations are necessary.

In this guide, we’ll first examine turnover and retention by digging into the top reasons employees quit or stay. Afterward, we’ll explore how routine communication, feedback and development helps create a satisfying workplace — one where even an employee with one foot out the door can step back.
Why Employees Leave

Employees quit daily. And lately, it’s been en masse. CNBC reported over 50 million Americans left jobs in 2022 alone. In fact, the Bureau of Labor Statistics has recorded an average of 4 million resignations monthly since June 2021—over 100,000 a day.

Expected or otherwise, a reason lurks behind every resignation. Common examples include:

» layoffs
» terminations
» planned retirement
» unexpected life events

What do they share? None is tied to burnout. Employees experiencing that won’t stick around for retirement. More people are unwilling to tolerate a work experience that falls short of their expectations. Long-term retention needs long-term support, too.

According to a nationwide Pollfish survey of 1,000 workers commissioned by Paycom, a whopping 80% said despite resigning, they were engaged. (Only 10% reported being disengaged.)

55% of employees nationwide said their manager or organization could’ve done something to prevent their departure.
Even if a workplace fulfills employees, that’s no guarantee another factor won’t push them away. The top factors involve, according to Pollfish:

**Top 5 Reasons Employees Quit**

1. **POOR MANAGEMENT**
2. **LOW COMPENSATION**
3. **WEAK BENEFITS**
4. **LITTLE APPRECIATION**
5. **LACK OF SUPPORT**

It’s not as if survey respondents were looking for reasons to quit. While 1 in 3 believed their employer could’ve done nothing to save them, a majority (55%) said their manager or company could’ve helped. Let’s examine these factors in greater detail to understand how.

**1. Poor management**

A staggering 51% of job changers told Pollfish poor management contributed to quitting, and 21% named it their top reason.

According to *Forbes*, traits of managers who miss the mark include:

- arrogance
- abusive behavior
- micromanagement
- negligence or apathy
- unclear expectations
- being closed-minded
- lack of communication
- no employee advocacy
- reluctance to give feedback

**2. Low compensation**

Those familiar with Johnny Paycheck’s classic country cover version of “Take This Job and Shove It” have a basic understanding of former employees who cite this reason.

If an employee doesn’t feel valued, they’ll likely feel underpaid, too. But compensation isn’t just about salary; time off, incentives, perks and benefits all play a part.
3. Weak benefits
For employees to care about work, they need to know their employer cares about them. By now, employer-sponsored basic health insurance and 401(k)s go without saying.

Yet some employees resign because they need more holistic coverage. In a Morning Consult survey commissioned by Paycom of 2,200 employees nationwide, 60% said quality benefits were important to their satisfaction at work.

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Unconventional benefits often missing from typical plans include:
- parental support
- pet insurance
- well-being resources
- financial assistance programs
- and more

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4. Little appreciation
A little recognition goes a long way. Conversely, a lack of acknowledgment does a lot to push great employees out the door. Ideal relationships between workers and employers are symbiotic. Each supports the other, and the organization flourishes. But when employees are routinely hurt, minimized or outright disregarded, it sabotages the entire balance.

5. Lack of support
We all need guidance to grow. Finding it is tough in a workplace without a supportive culture. A lack of recognition and celebration play a part, but minimal mentoring and sparse development opportunities do, too. Even if top performers reach executive positions, they need to know their companies have their backs.

Despite how different these causes seem, they all tie to company leadership. If you’ll recall, 55% of employees in the Pollfish survey said their manager or organization could’ve done something to prevent their departure.

You read that right: Most employees who quit could have been retained with as little as a conversation. While that doesn’t guarantee a long stay, it’s astronomically better than swallowing the cost of replacing them: up to 200% of their salary, according to Gallup.

These issues don’t evaporate with waves of new hires. In fact, they may actually compound. According to a survey of 2,500 employees by the career platform The Muse, 72% experienced “shift shock” — that is, the sinking feeling their jobs were different than what they were led to believe. And a Joblist study revealed 42% of new hires felt their new job didn’t meet their expectations.

Unwinding these issues will likely involve an uncomfortable, yet necessary look into the business’s values, culture and leadership. Remember, these reasons for resigning represent only part of the story.
Why Employees Stay

Ready to brush up on some 17th-century physics? (It’ll only take a moment — promise!) Per Isaac Newton’s universal laws of motion, an object at rest stays at rest, while an object in motion stays in motion, unless acted upon by an unbalanced force.

Employees aren’t much different: Most would have little reason to leave if their company fuels their purpose, security and overall happiness.

In the Pollfish survey, 50% of employees who left a job in the last two years said they would have stayed if their supervisor or HR talked to them about their:

» satisfaction
» performance goals
» future at the company

Again, communication is huge for retention. A periodic conversation has the power to dissuade people from the brink of quitting.

Of course, a discussion is only the start. Pollfish discovered the top three reasons employees stay are:

<table>
<thead>
<tr>
<th>Top 3 Reasons Employees Stay</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>BETTER PAY</td>
<td>57%</td>
</tr>
<tr>
<td>MORE SUPPORT</td>
<td>53%</td>
</tr>
<tr>
<td>MANAGEMENT CHANGES</td>
<td>31%</td>
</tr>
</tbody>
</table>

It’s no surprise a higher wage is the lead motivator; 30% of employees said it definitely would have compelled them to stick around. Granted, if emergency raises were always possible, turnover wouldn’t be much of an issue.

Paying employees fairly and competitively should remain top of mind, but combined, the other two top reasons overtake higher salaries or wages. Even if better pay addresses an employee’s immediate concern, it doesn’t fix everything.
Why Employees Quit (and 7 Steps to Retain Them)

For example, think about red flags that strongly signal a resignation is on the horizon. Inadequate compensation is definitely on the employee’s list. But so are:

- frequent arguments with their supervisor
- little communication from higher-ups
- unreasonable working conditions
- nonexistent acknowledgment
- bare-minimum training programs

An increase in pay doesn’t mean those issues are solved or that the employee is actually more invested. What’s changed is how many of those other problems they’re now willing to tolerate.

Without meaningful action, those issues will spread to negatively impact co-workers. Give it a bit more time, and the original employee may leave anyway, likely for equivalent pay and a healthier culture.

Think of it this way: Money may help an employee endure a toxic workplace, but removing—or at least limiting—the toxicity outright inspires them to stay.

Unfortunately, toxicity isn’t something organizations can readily “turn off.” Understanding its sources and how to manage it requires consulting the group who’s harmed by it most: employees.

Communication is huge for retention.
Why Feedback Matters

Exit interviews are great for pinpointing certain issues. Stay interviews, however, can be just as—or even more—beneficial.

As Abe Breuer, CEO of VIP To Go, told Forbes, “a stay interview allows you to avoid repeated issues, while an exit interview allows you to learn from your mistakes.”

Both serve a purpose, but exit interviews provide insight into a problem after it’s pushed an employee away. Done right, stay interviews give HR a shot at managing turnover before it happens.

Many in HR and the C-suite have seen the results. According to a Pollfish survey commissioned by Paycom of 1,500 executives and HR managers, 90% said they conduct stay interviews at their companies. Of those who do, an overwhelming 91% said they have seen higher retention since implementing them.

How often should HR hold stay interviews?

Forbes recommends conducting stay interviews every 12 to 24 months — ideally, when employees are both most comfortable and familiar with the workplace. Similar practices — such as a checking with new hires at the 90-day mark — are useful, too. But they don’t serve the same purpose as a stay interview with an established employee.

Communicating and gathering feedback ahead of a stay interview isn’t out of the question, either. Giving employees time to prepare or the chance to volunteer for a stay interview fosters a more organized, thoughtful and productive discussion.

In fact, gathering preliminary comments helps fuel the other half of the stay interview equation.

What should HR ask during stay interviews?

Finding the right cadence is one thing. But HR still has to stick the landing. Questions shouldn’t be too broad or specific. The sweet spot will help businesses find sources of turnover and gather genuine data about employees’ overall experience.

For instance, if every question refers to a specific issue — like a problematic manager or behavior — it may narrow the talk’s focus and alienate the interviewee. (Yes-or-no questions are notoriously limiting in this way.) Remember, stay interviews don’t just benefit the business; they also remind people that their careers, future and selves matter.

While every industry, company and employee can justify a unique set of questions, no two stay interviews are the same. Even inquiries that are similar or scripted could spur an entirely different conversation from one individual to the next. Businesses should try to understand each member of the workforce and develop questions with that employee’s interests in mind.
However, some inquiries are relevant to nearly every worker. Consider these as inspiration:

» Why are you excited to come to work?
» How does your experience here differ from your expectations? How is it the same?
» How do you feel about your role? How would you describe the impact you make?
» What do you consider the purpose of your work?

See Appendix for the complete list.

The above represent a mere fraction of what you could ask. Still, try not to overwhelm employees with too many different topics.

Beyond retention, determine what you’re trying to achieve with the stay interviews. Think about dividing the goal into three parts by asking yourself:

» Which issues that we’re aware of do we need to learn more about?
» What’s the actual experience of our employees and how can we enhance it?
» Which matters should we address and prioritize moving forward?

Most of all, don’t be discouraged if stay interviews don’t have an immediate effect. Although an important early step in addressing an issue, they aren’t a quick fix. Think of stay interviews as the catalyst for meaningful change.
7 Tips for Raising Retention

Once you’ve gathered what you needed from stay interviews, put your insight to practice! In all likelihood, you’ll uncover a ton of ways to improve employees’ lives.

Not all of them will be comfortable or straightforward to implement. Fostering a workplace where people want to work isn’t easy, but it’s always worth it.

And you don’t have to do it alone! Keep these evergreen tips in mind as you continue to give people reasons to stay.

1. Gather feedback
Think of this as an extension of stay interviews. Beyond holding regular meetings with employees, make a habit of asking them about their experience. It’s possible to gather this info from managers, but anonymous surveys are often better for collecting quick, candid responses.

Using software to help you easily write, deploy, gather and analyze surveys makes it even easier to work this practice into HR’s routine.

2. Train leaders
We’ve examined how nothing drives away employees faster than poor management. Get ahead of that by developing every leader, including the talent who aren’t quite there yet. According to LinkedIn, employees stay 41% longer with organizations that promote internally.

Experiment with a learning management system that allows anytime, anywhere access. This lets leaders conveniently take learning courses over topics like:

- DIVERSITY
- SENSITIVITY
- MENTORING
- WELL-BEING
- AND MORE
3. Provide feedback
In addition to gathering feedback, leaders should be prepared to give it, too. Employees want to know where their career is headed and how to improve. Providing feedback can take many forms, like:

- regular performance reviews
- self-reviews
- 360° reviews
- one-on-one meetings
- group discussions

An easy-to-use performance management tool makes it easier to establish a cycle of feedback and give employees goals to work toward.

4. Develop employees
A business isn’t just a place to work — it’s a space to grow. Regardless of their manager, an employee who believes they’ve reached their peak could look for more opportunities elsewhere. Show employees a path of growth with a renewable source of upskilling, engagement and continued learning.

The same learning management experience you use for leadership should also work well for employees. Look for an option that meets all of your business’s development needs.

According to LinkedIn, employees stay 41% longer with organizations that promote internally.
5. Simplify communication
Employees won’t feel like they belong if they don’t feel heard. Make it easier for employees to speak with HR, on-site counselors and other groups dedicated to their well-being. Doing so gives workers an outlet for the challenges they face that could spur turnover.

Adopt an HR communication tool that helps employees ask questions and connect with the best person to assist them.

6. Foster a positive culture
Bias, toxicity and disengagement will erode morale and push talent toward the exit — and eventually right through it. Find ways to be inclusive, celebrate wins and remind employees of their important contributions. Keep these culture-driving initiatives in mind:

» employee resource groups
» departmentwide meetings and celebrations
» well-being advisers
» periodic check-ins
» leadership training

7. Use the right self-service HR tech
Give employees the agency and convenience they expect with intuitive HR software. Employee-guided payroll, for example, automatically identifies errors, then leads workers to fix them before submission so payday brings no surprises — only accuracy.

This level of transparency is only useful with access, ideally through one login and password to a single app with all of the tools and data employees need.
Conclusion

If an employee’s still at work, the chance to retain them remains. Inevitably, some staff members will resign; every professional journey has an end.

But don’t let toxicity or other preventable problems drive away people, especially before they reach their potential. Recall that according to Pollfish, employees most often leave due to these five reasons:

» poor management
» low compensation
» weak benefits
» little appreciation
» lack of support

On the other hand, they stay for:

» better pay
» more support
» management changes

Don’t overlook any opportunity for retention no matter how small it seems. Most importantly, conduct stay interviews to learn what really inspires employees, uncover undisclosed problems and get ahead of issues that cause turnover.

Organizations have the power to transform employees’ lives and change the world for the better. Take charge of this responsibility, shut the door on attrition and open another to a positive, empowering future.
Paycom’s single, easy-to-use app has the tools you need to engage, develop and understand every employee.

Paycom Surveys helps you quickly, securely and anonymously gather employee feedback to:
- prep for stay interviews
- identify sources of turnover
- find out what motivates your people to stay

With knowledge about your workforce in tow, Paycom Learning lets you easily create and deliver training courses to develop employees and managers.

Plus, our performance management and compensation budgeting tools simplify rewarding and promoting employees meaningfully and fairly.

Finally, payroll errors should be the last thing that pushes away employees. Prevent their consequences with Beti®, Paycom’s employee-guided payroll experience. It empowers your people to find and fix errors before they wind up on their paychecks and create havoc for their well-being.

See what Paycom does for your retention strategy at paycom.com or 800.580.4505.
Examples of stay interview questions:

» Why are you excited to come to work?
» How does your experience here differ from your expectations? How is it the same?
» How do you feel about your role? How would you describe the impact you make?
» What do you consider the purpose of your work?
» In your words, what’s the purpose of the company? How well do you think it delivers on that?
» If you could lead your team/department/organization for the day, what would you do?
» What limits your growth here? What encourages it?
» Do you feel like you’re getting the development you need? If not, how could it be better?
» How do you feel about your future at the company?
» What are the biggest hurdles, challenges and roadblocks you’ve encountered in your time here?
» Which other parts of the business interest you?
» One of our priorities is to put employees first. How would you score us at that?
» What could we do to make your experience here better?
» What would you tell someone who was applying to work here?
» In what areas do your team members work well together? What holds the group back?

» How satisfied are you with the tools and software we provide? How do they make your job easier? How could the technology do more for you?
» What are the conversations like with your manager? How do they support you?
» What are you proud of here? And is there any work you do now or previously at the company that makes you uncomfortable? If yes, how so?
» Do you feel like you can be honest with your manager and peers? If not, what’s preventing you from doing so?
» What do you think is great about your work? How do you think it could be even better?