The HR Leader's Guide to Reducing Regrettable Turnover

15five

With The Great Resignation being a widely discussed phenomenon of the past year,

it is no longer deniable that employee turnover is a challenge that organizations are forced to grapple with. As a strategic HR leader, you have likely been tasked with coming up with a plan to reduce turnover. Or maybe a lot of top performers have already left your organization, and you're left grappling with wishing you could have done something to keep them, knowing they're already out the door.

The bad news is that reducing turnover *cannot* happen overnight. The good news is that properly designed employee experiences can predict and prevent turnover, and ensure that top performers stay at the organization and contribute to its ability to thrive.

In this guide, we will discuss a specific type of turnover: regrettable turnover.

Regrettable turnover is its own unique flavor of turnover that needs to be considered and addressed in a specific way. But when organizations and C-Suites sit down to talk about the problem of turnover, they often don't differentiate between regrettable and non-regrettable turnover, and as a result, they try to apply blanket solutions that don't speak to the real drivers of regrettable turnover.

And for organizations that are striving to be high-performing organizations where employees thrive, focusing on the problem of regrettable turnover is **key**. Paying attention to regrettable turnover means paying attention to why the high performers in your organization are not satisfied. If you take steps to solve those problems, all employees will benefit, and the organization as a whole will realize the positive impacts.

What is regrettable turnover?

First, what is regrettable turnover and how is it different from other types of turnover?

REGRETTABLE TURNOVER:

occurs when somebody's departure from the company has a negative impact on the organization, or when a high performing employee that the company would have liked to keep decides to leave of their own accord.

NON-REGRETTABLE TURNOVER:

occurs when the impact of someone's departure is neutral or positive.

INVOLUNTARY TURNOVER:

occurs when an employee is asked to leave, either due to workforce reductions/layoffs, or poor performance.

NOTE that there are examples of voluntary turnover that are still not regrettable turnover. For example, let's say there is an employee that is performing at level, but the role they are performing needs to evolve to include a new skill set that the employee is not interested in developing. That employee could decide it is better to amicably part ways and look for a new job, and the organization is faced with an opportunity to fill that role with a candidate that has a skill set that better matches the current needs. This is voluntary turnover, but it is not regrettable, as it has a net positive impact on the organization.

How to Define Regrettable Turnover

Now, how exactly do you define which departures are considered "regrettable" and which are not? Well, ultimately that distinction is up to you. But here are some factors to consider.

Regrettable turnover data could include:

- Employees that leave unexpectedly whose departure is seen as a significant loss to the organization
- A high performing employee whose compensation level is not aligned with their role and impact, who decides to leave because the company decides the company cannot/will not increase their compensation

Regrettable turnover data should not include:

- People who give plenty of notice (ex: 2+ months) that they are leaving — whether it is due to a career change, a graduate program, etc. — and that therefore give you the opportunity to plan for their replacement
- An employee that is retiring at a predetermined date
- Employees that leave voluntarily, but whose departures are not seen as a significant loss because they were not a high performer, or because they are easily replaceable

Even still, determining whether or not an employee's departure is a "significant loss" to the company feels quite nebulous. Going even a level deeper and attempting to quantify and define criteria for what constitutes a significant loss is helpful.

Some criteria to consider when determining if an employee's departure is a significant loss to the company includes:

- Current performance level (above level, at level, below level)
- Cost to replace
- Culture and values fit
- Ramp time for replacement
- Hard to replace skills
- Irreplaceable knowledge
- Single point of failure

To operationalize the designation of regrettable vs non-regrettable departures, managers should document their own opinion on the designation, but the final decision should be made by the people operations/HR team. This data can be captured whenever an employee departs and reported on regularly.

What Drives Regrettable Turnover?

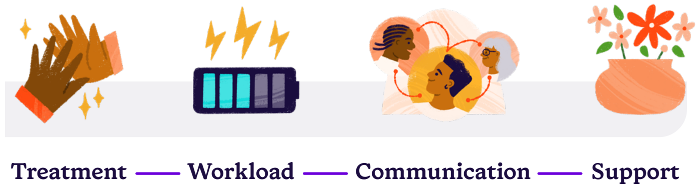
Now that we understand a bit more about what regrettable turnover is and why it is important to define and measure it, let's discuss what actually drives regrettable turnover. In other words, why do valued employees leave?

As you might have guessed, compensation is a big factor in an employee's level of job satisfaction — and that rings especially true in the aftermath of The Great Resignation. In a recent study from Pew Research Center, 63% of workers who quit a job in 2021 cited low pay as a reason.

But compensation is certainly not the only factor. In fact, the same study found that 63% of employees that quit a job in 2021 cited "no opportunities for advancement" as a factor in their decision to quit.

Organizational culture also plays a major role. Research from MIT's Sloan School of Management revealed that a "toxic company culture" was more than 10 times more likely to contribute to turnover than compensation.

Furthermore, Gallup's State of the Global Workplace Report 2022 revealed that 60% of employees are emotionally detached at work, and 19% are miserable.



The most common reasons cited were unfair treatment at work, an unmanageable workload, unclear internal communication, and failure of managers to give support.

Because managers play a critical role in shaping organizational culture, it is no surprise that they are also a major driver of turnover. In our 2022 Workplace Report, we found that more than half (53.8%) of employees say one of the top reasons for leaving a company is unsupportive management. An even greater number (57.6%) say that supportive management and a good boss are two of the most important factors influencing them to remain with a company.

It's clear that the solution to reducing regrettable turnover is not simply throwing more money at the employees that you want to keep. Although that can certainly help, this research reveals that it is crucial to dig deeper and look into the elements of the organizational culture that are failing to meet the needs of your high performers.

Insights from Regrettable Turnover

Placing a magnifying glass over regrettable turnover in your organization can reveal a wealth of insight into your company culture and where it needs to be improved.

For example, let's say you measure regrettable turnover at the organizational level and at the team level. At the organizational level, regrettable turnover is 2%. Sounds great, right?

But when you dig deeper to the team level, you see that regrettable turnover on the customer success team is 12%. This discrepancy tells you that there is likely something going on with that team's culture that is driving high performers to leave, and invites you to explore what that may be.

One explanation for a team-level discrepancy in regrettable turnover rates is manager effectiveness.

Manager effectiveness can have a massive impact on whether or not an employee stays with the organization. And each manager, whether they realize it or not, leads and shapes a subculture within the larger organizational culture.

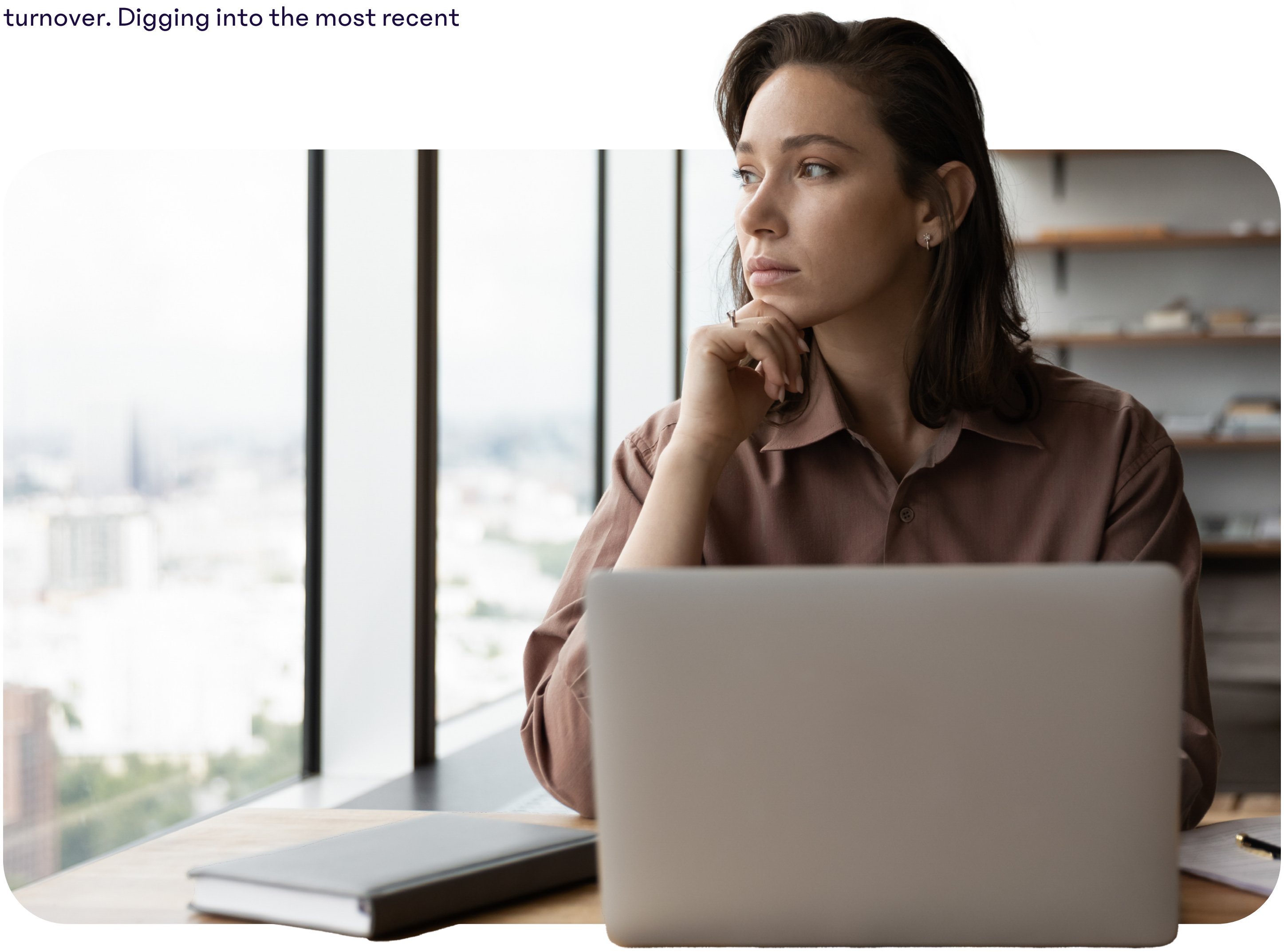
Ineffective managers, or managers that reward behavior that does not align with company values (like discouraging experimentation and curiosity) can create toxic or uncomfortable subcultures. Because these subcultures are where employees spend a majority of their time, they are powerful enough to drive employees to leave, even if they value the organizational culture as a whole.

Another contributing factor to team level discrepancies in regrettable turnover scores is engagement, or lack thereof.

If you notice one team has a significantly higher rate of regrettable turnover than other teams, there is a good chance that your employee engagement data will tell a story that supports or aligns with that discrepancy.

Imagine that your company's customer success team has a notably higher rate of regrettable turnover. Digging into the most recent engagement survey data would likely reveal that that team also showed signs of increased disengagement compared to the rest of the company as a whole.

By paying deeper attention to discrepancies on engagement surveys, you can start to notice foreshadowing of future potential regrettable turnover concentrated on a specific team. With that knowledge in hand, you can then work to take proactive steps to prevent that turnover from occurring.



How to Decrease Regrettable Turnover

There is no one-size-fits-all solution to decreasing regrettable turnover in your organization. Regrettable turnover, as we've emphasized, is a function of the unique problems that are manifesting in your organizational culture. Thus, as a strategic HR leader, you need to put on your detective hat and roll up your sleeves to uncover the steps that need to be taken to address those issues in *your* organization specifically.

That being said, here are some steps and areas to consider as you craft an organizational plan for combatting regrettable turnover.

Be Transparent During the Hiring Process

The truth is that preventing regrettable turnover actually starts long before an employee is even hired. So much regrettable turnover can be attributed to a discrepancy between the role the employee thought they were being hired for, and the role that the hiring manager thought they were hiring for. To take it even further, many hiring managers are simply lacking clarity on what exactly they need in a new hire.

Take the time to sit with hiring managers to help them craft a robust job description that truly captures the responsibilities and expectations of the role, *before* a single interview occurs. This can include creating a scorecard that outlines the key performance indicators (KPIs) of success in said role, as well as the soft skills required to be impactful in the role. It is a good idea to consult with team members who will be working closely with this hire to have them list the qualities they believe an ideal hire would have. And, when possible, it is always beneficial to be as transparent as possible about salary range and opportunities for growth so that prospective candidates can have a solid understanding of whether or not this role is even a match for their current desires and long-term career goals.

Furthermore, many organizations unknowingly misrepresent, or simply fail to convey, the organizational culture during the hiring process. Take the time to really drill down on what makes the organizational culture unique and how to convey that to potential job applicants, so that those applicants can filter themselves out if they know they are not a fit with the culture.

Share Agreements and Accountability

Another key element to reducing regrettable turnover is defining what different people in the organization are responsible for contributing to this effort, and crafting agreements to hold them accountable. You should view various people/groups of people as “champions” of reducing regrettable turnover, and clearly articulate how those groups can be a part of this team effort.

Some common champions and their responsibilities include:

PEOPLE OPERATIONS/HR

- Employee experience
- Goals
- Performance reviews
- Compensation program
- Promotions
- Bonuses
- Career pathing
- Overall engagement
- Benefits and perks
- DEIB
- Manager competencies

CEO AND EXECUTIVE LEADERSHIP TEAM

- Defining and upholding company vision, mission, and values
- Accountability for regrettable turnover and willingness to openly discuss regrettable turnover data, address the root causes, and make plans to improve the employee experiences

MANAGERS

- Goal setting and progress
- Giving and receiving feedback
- Check-ins
- 1-on-1 meetings
- Individualized care, coaching, and career pathing
- Cultivating psychological safety
- Active participation in all of the HR-led employee experiences (e.g., engagement surveys, reviews)

Build a Strong Employee Experience Foundation

The bulk of reducing regrettable turnover is all about building a strong employee experience foundation.

What does that mean? It means putting the right systems, structures, and supports in place to help employees be their best selves, so that they can help the organization thrive.

But that's a lofty ideal to aspire to. Luckily, it can quite easily be broken down into sections that build the overall employee experience. Taking time to explore these areas and how well your organization is managing to deliver in these areas is a great step to take.

Furthermore, note that all of the components that make up the employee experience referenced below can be elevated by the thoughtful adoption of tools and performance management software.

If your managers are all running check-ins using different tools, for example, it will be nearly impossible to compare things like goal attainment and check-in completion from team to team. With a unified tool for performance management, however, you can get a birds eye view of check-in completion rates by team, goal attainment rates by manager, and more. Aggregation and analysis of this employee data will greatly help you make informed decisions about what needs to be done to reduce regrettable turnover.

Now, let's get into the building blocks of a great employee experience that can keep high performing employees around much longer.

GOAL SETTING/OKRS

Without goal clarity, your people are basically walking around aimlessly. They may be "moving needles," but without your vision as a leader, they cannot possibly hope to contribute in a meaningful way to a prosperous quarter or year for your company. And this lack of clarity can lead to them feeling disengaged, or like the work they are doing is not having a true impact.

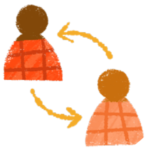
That's why it is so important to operationalize goal setting and tracking. At 15Five, we use the OKR methodology. Whatever goal setting methodology you use, goals should be set 2-4 times per year (ideally, on a quarterly basis) and progress on said goals should be monitored via check-ins and 1-on-1 meetings between managers and their direct reports. Ensuring not only that there is clarity around goals, but also that there is a clear line of communication between managers and employees about goals, will imbue employees with a much greater sense of efficacy and purpose.

With 15Five's OKR tool, leaders can clarify the company objectives and charge everyone's work with purpose. Managers can then help their team members to set individual goals that are connected to company OKRs, and track progress on those OKRs on a regular basis.

Want to learn how to set, launch, and track OKRs for organizational success? **Get 15Five's OKR Playbook**.

CHECK-INS

Managers should have regular insight into how all of their direct reports are doing on a regular (i.e. weekly) basis. Using an asynchronous check-in tool like 15Five's Check-ins can enable managers to gain visibility into the progress employees are making on their goals, and gives employees the opportunity to voice concerns or roadblocks they are encountering, so their managers can support them earlier, and before it's too late to keep them at your organization.



1-ON-1S

In addition to an asynchronous check-in, managers should be holding regular 1-on-1 meetings with their direct reports that go beyond a status update and dive deeper into priorities, challenges, and opportunities for growth.

> **"Effective 1-on-1s should be meaningful, invigorating, restorative conversations where you strengthen and motivate your people by recognizing their progress and effort, coaching them through tough situations and understanding their needs."**
>
> - Jeff Smith, *The Meaningful Manager*

When done properly, 1-on-1s:

- Empower employees to act autonomously and positively impact the organization
- Help people focus on the right prioritized goals
- Give your people space to talk about issues before they become bigger problems
- Allow you to guide and coach your people
- Give you the opportunity to recognize and encourage your people in an ongoing way

Using a tool like 15Five's 1-on-1 Tool helps ensure that every 1-on-1 meeting held is a valuable one. With its guided structure, it makes it easier to focus on priorities, challenges, and progress so everyone is aligned, motivated, and engaged.

Download **15Five's 1-on-1 Template** to learn more about how to make 1-on-1 meetings more effective, impactful, and transformational.

MANAGER EFFECTIVENESS

Managers influence at least 70% of your employees' engagement, and thus they play an undeniably critical role in reducing regrettable turnover.

Manager effectiveness impacts organizational health and influences all areas of an employee's experience, including engagement, growth and development, and productivity. And with the right structures to support your people, good managers can be provided with the conditions to become great.

Learn more about **Transform**, 15Five's training and coaching offering, and download **Spotlight on Manager Effectiveness: Why It Matters and How to Improve It** for insights on taking your manager development initiatives to the next level.

And while managers spend a lot of time supporting their direct reports, they need support too! Managers should receive regular coaching that helps them learn, practice, and apply managerial and leadership skills in the flow of work.

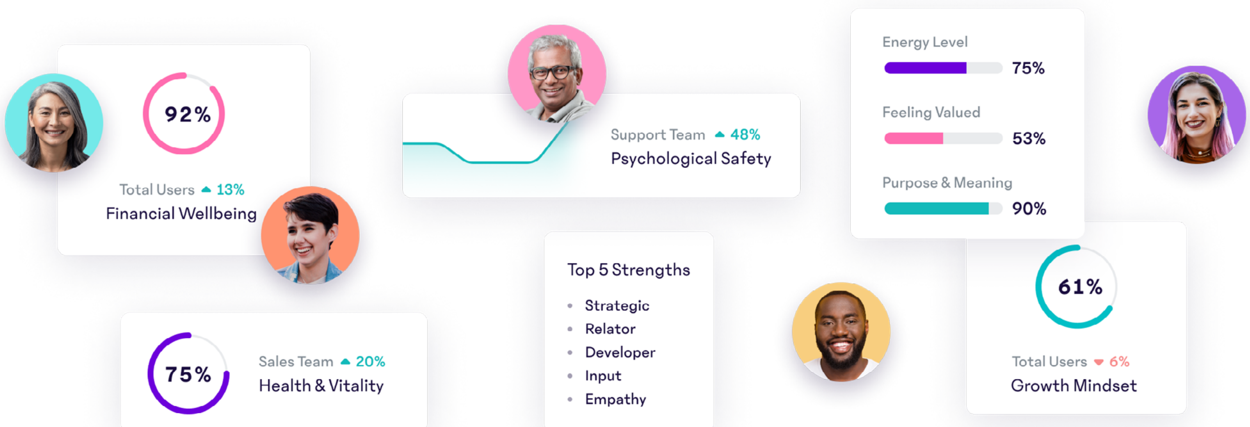
ENGAGEMENT SURVEYS

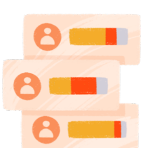
Gallup estimates the cost of disengagement to be between $960 billion and $1.2 trillion per year. By investing in data-driven employee engagement measurement, HR leaders can leverage data to better understand and address the causes of disengagement in their organizations.

Running regular engagement surveys are a great way to predict and prevent regrettable turnover before it starts by giving you insight into what teams may be experiencing notably lower engagement.. Organization-wide engagement surveys should be conducted 2-4 times per year with the goal of understanding what your people want, and whether they're getting it, and the right actions for you to take.

[15Five's Engage](#) empowers HR leaders and executives to measure employee engagement, quickly find actionable insights, and take steps to drive change.

Engagement surveys can be designed with retention in mind. For example, you could include questions that measure employees' intent to stay with the organization. Furthermore, you can segment engagement results to gain a clear picture of the engagement level of your high performers. Measuring engagement and the drivers behind it helps you understand the root causes for lower engagement and how to take the right actions.





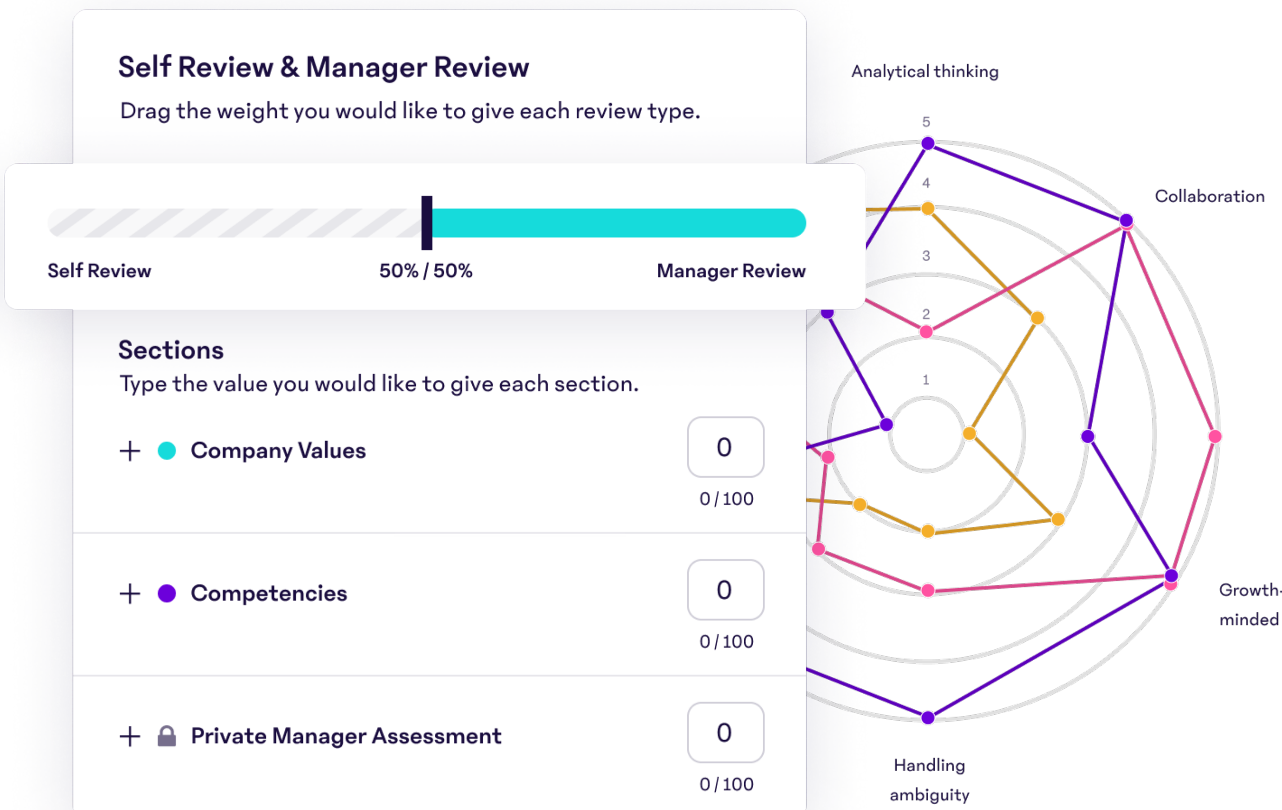
PERFORMANCE REVIEWS

Performance reviews are another critical tool for reducing regrettable turnover because they help your organization recognize and reward your people fairly and equitably, identify skill gaps and opportunities for improving performance, and invest in and retain the right people.

Want to learn more about how to design and implement a review process that is fair, efficient, and valuable? **[Get 15Five's Performance Review Playbook](#)**.

We recommend running two review cycles per year. Why? Because organizations need a frequent understanding of who is performing above expectations and who isn't, so that proactive steps can be taken. Furthermore, individuals want more frequent feedback, not only to be reminded of their value and contributions, but also to support their career and growth aspirations.

The performance review is a critical touchpoint between manager and employee. It is a great opportunity to discuss the skills the employee wants to develop by the next review cycle, and how the manager and organization as a whole can support them in doing so. Having these types of conversations more regularly increases the likelihood that employees will feel that working at the organization is supporting their own career development.



COMPENSATION/PROMOTIONS

While compensation is not the only, or even the most important, factor contributing to an employee's decision to leave, it is certainly still a factor that cannot be ignored. Employees want to feel that they are consistently being valued and that they are growing within the organization. Thus, there needs to be a transparent compensation philosophy that involves defined opportunities for employees to receive promotions and raises. Clear, enforced promotion criteria helps ensure that employees are aware of exactly what goes into promotion decisions. Without this clarity, employees may feel left in the dark wondering if they will ever get promoted, or become too afraid to bring it up. Don't lose a good employee just because they didn't know that they were up for a promotion in a month.

Want to learn more about developing a compensation strategy that attracts and retains top talent? **Get 15Five's Compensation Playbook**.

CAREER PATHS

A major reason high performers leave a company is because they simply do not feel there is any more room for them to grow within the organization. That's why it is so critical for managers to have regular career focused conversations with their direct reports. These conversations should be separate from performance reviews and compensation conversations, and should be focused exclusively on the direct reports career path and their opportunities for growth both within the company and in general.

When these conversations are proactively held, managers can either:

- Illuminate existing paths for growth within the organization that the direct report didn't even know existed, or
- Learn more about a direct report's career aspirations and find ways to create more opportunities for growth that don't yet exist

Elevate Employee Recognition

When employees feel recognized and appreciated, they are more likely to stick around. In fact, research from IBM showed that intention to leave is twice as high among employees who do not receive recognition (51%) compared to those who do (25%). Investing a little bit of time and effort into recognizing and appreciating employees can actually save a lot of time (and money) down the line.

To learn more about how to build a culture of gratitude in your organization, read **The Ultimate Guide to Gratitude in the Workplace**.

Perform Stay Interviews

Consider this: one of your star employees has just told you that they've accepted an offer elsewhere. You ask them "Why do you want to leave?" And they share a list of small reasons, all of which could have been easily remedied, had you known. This happens more often than you'd think, and is why performing stay interviews is so beneficial.

Stay interviews are interviews you conduct with current employees, asking them questions about their level of job satisfaction, what could be improved upon in their work experience, and what might drive them to leave.

Conducting stay interviews with high performers can help you proactively identify easily solvable problems that could lead to regrettable turnover, and buys time for these problems to be addressed before it's too late. Plus, there's a good chance that if one employee expresses a concern or grievance in a stay interview, other employees are feeling it too.

Perform Exit Interviews

The fact of the matter is that there are going to be amazing employees that you simply cannot save. That being said, there is great opportunity to learn from the employees that are leaving. In fact, employees that are leaving can provide invaluable feedback because they no longer fear the repercussions of being honest about their employee experience and what could have improved it.

Thus, exit interviews should be conducted whenever possible. The feedback you receive in these interviews may not be able to save the employees that are leaving, but they can have a massive impact on reducing regrettable turnover in the future.

Reduce Regrettable Turnover Through Strategic HR

In conclusion, if you are a strategic HR leader who wants to enable your organization to soar to new heights, you must be paying attention to regrettable turnover, and working to proactively reduce it. The drivers of regrettable turnover in your organization will always be a function of the unique aspects of your organizational culture that need to be improved. By taking the time to dig in and understand what is driving regrettable turnover at your organization, you can take the steps necessary to begin to predict and prevent it. By doing so, you will naturally be improving and elevating the employee experience for all, ensuring that top performers stick around longer, and ultimately, helping your organization thrive.

Want to learn more about how 15Five can help you reduce regrettable turnover in your organization?

Schedule a Demo

Try 2 Weeks Free

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About 15Five

15Five is the holistic performance management company. 15Five equips HR teams with a complete, single-platform solution to improve manager effectiveness, drive high performance and engagement, and increase retention. By combining easy-to-use software with coaching, manager training, and a thriving professional community, 15Five's approach provides HR leaders with everything they need to achieve their strategic people objectives. 15Five offers a full suite of products including 360 performance reviews, in-depth engagement surveys, robust goal & OKR tracking, and weekly manager-employee feedback tools like 1-on-1s and pulse ratings. Together, all of these enable HR leaders to continuously measure engagement and performance within the flow of work and then empower their managers to drive change from the bottom up. HR leaders at over 3,400 companies, including Credit Karma, Spotify and Pendo rely on 15Five's software and services to make their talent a growth driver. For more information, visit www.15five.com.