

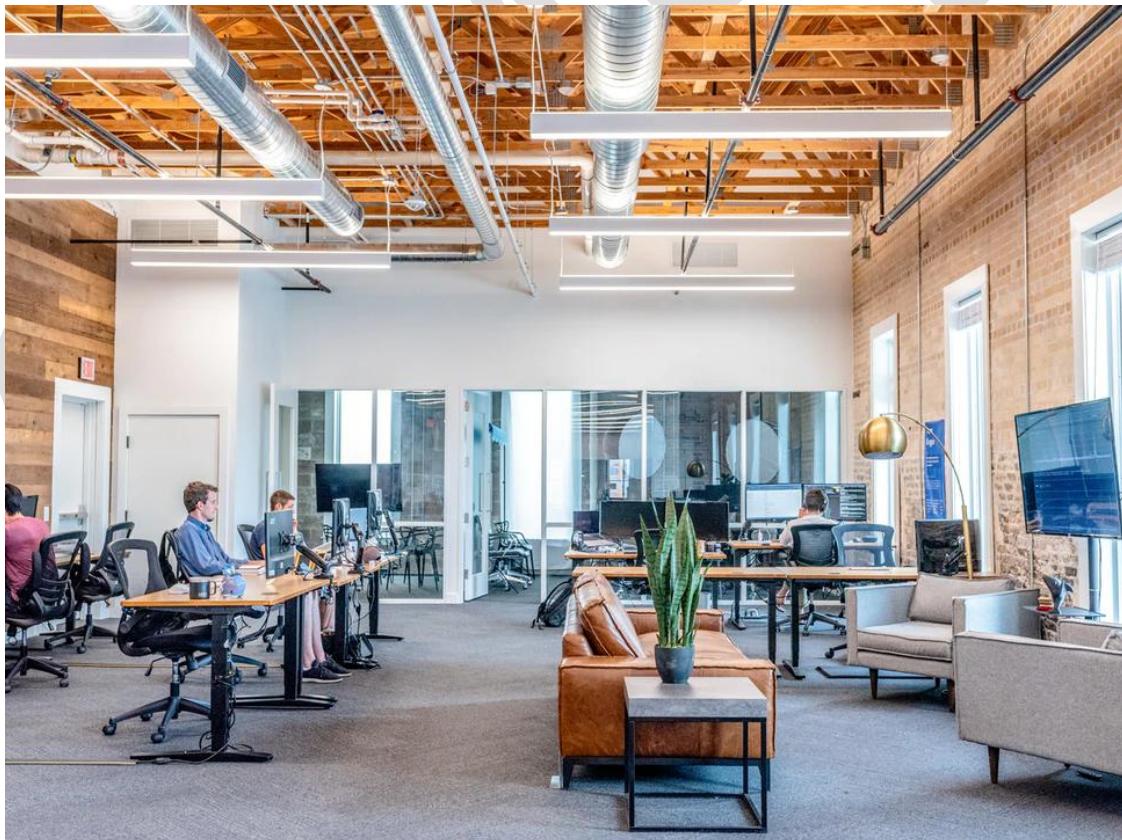
4 Reasons Your Retention Rate Is So Low

Every manager's nightmare is watching one of their best employees resign out of the blue—and the worst part is that this nightmare isn't too far off from reality.

According to research, the average [turnover rate in the United States is 44.3 percent](#) and labor statistics verify that since 2016, the resignation rate of employees has [increased by 15.1 percent](#), which is drastic, to say the least.

While organizations are scurrying around trying to figure out how to maintain a steady employee retention level, many are unaware of what the primary causes behind low retention rates are. As a result, their businesses and companies bear the [cost of losing and replacing employees](#) and staff.

If your organization wants to avoid this hassle once and for all, get to the root of the problem by taking a look at a few reasons why your employee retention rate may be low.



A thriving economy

National vacancy surveys in the United States show that after 2012, the number of job vacancies generally increased for all sectors. Where job vacancies were 6,921,000 at the beginning of 2019, by the end of it, they had [increased to 7,884,000](#).

This means that the number of readily available jobs over the years has prompted people to apply to other jobs in search of better job opportunities.

The changing workforce

Statistics show that [49 percent of millennials](#) quit their jobs within the first two years. This is because their primary focus in each job is the employee benefits they receive and how the job adds to their career development plans. Hence, they lean toward working with organizations that have similar beliefs and values as them.

Since organizations still haven't adjusted their corporate culture to make room for these millennial and Gen Z requirements, younger employees looking for growth opportunities tend to switch jobs quickly.



Side incomes

Research shows that almost [44 million American employees](#) and workers have a "side hustle."

This is due to a variety of reasons, including a lack of job security, making some extra money to keep up with a lifestyle, being unable to find a job that yields enough benefits or simply due to strained financial circumstances. Since employees already have two sources of income, it's easy for them to leave a job at an organization if it deviates even the slightest from their expectations.

Employee benefits

Many employees quit their jobs just because they don't see any benefits to it. These benefits aren't just restricted to salaries and also include health insurance and flexible working hours.

You'd think that paying a higher salary to employees can keep them on board for long—and while that may work for a bit—research shows that in the long run, salary [isn't a top motivating factor](#) for employees. In fact, only 1% of employees leave their jobs due to dissatisfaction with their salaries.



If your organization wants to keep a higher retention rate, you must keep all these factors in mind and introduce organizational changes to tilt the scales in favor of the employees.

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