



PREVENTING TURNOVER IN THE WORKPLACE

Losing a good employee is expensive. Replacing one can cost 50% to 200% of that salary.¹ There are also impacts on morale, knowledge loss, and more pressure on the remaining team. Employee turnover is not just an HR problem; it is a business problem.

Turnover is uniquely challenging when employers don't fully understand the why. Often, the reasons employees leave are more straightforward than expected: unclear expectations, broken promises, or unsustainable workloads. Fortunately, all these concerns can be addressed.

What Employees Really, Really Want

Despite recent workplace changes, what employees value is consistent. Top reasons for staying are meaningful work, flexibility, growth, coworkers, fair pay, and recognition. The top reasons for leaving are poor leadership, limited growth opportunities, little flexibility, and high workloads.²

Nearly 20% of employees report dissatisfaction, but only 7% plan to leave.³ This gap signals quiet disengagement, a reflection of employees being present but not invested. Address concerns before employees leave to avoid replacement costs.

Keeping Your Best People

Retention isn't about grand gestures. It's about getting the basics right. Here are some actions that make a difference:

- + **Recognize good work.** Tell valued employees they matter. Tie rewards to real performance.
- + **Be honest about the future.** Address job security and show how employees can grow. Employees who feel secure and see growth paths are less likely to leave.
- + **Invest in development.** 26% received no feedback last year.⁴ Regular one-on-ones keep people connected and motivated.
- + **Support the whole person.** Work-life balance is a key reason employees stay. Health benefits, flexible schedules, and a supportive culture drive retention.
- + **Build diverse, inclusive teams.** Diversity in age, background, experience, and perspective strengthens organizations.
- + **Hold everyone accountable.** Apply goals and values to all, from entry-level to senior leaders. This builds trust.



The Shifting Policy Landscape

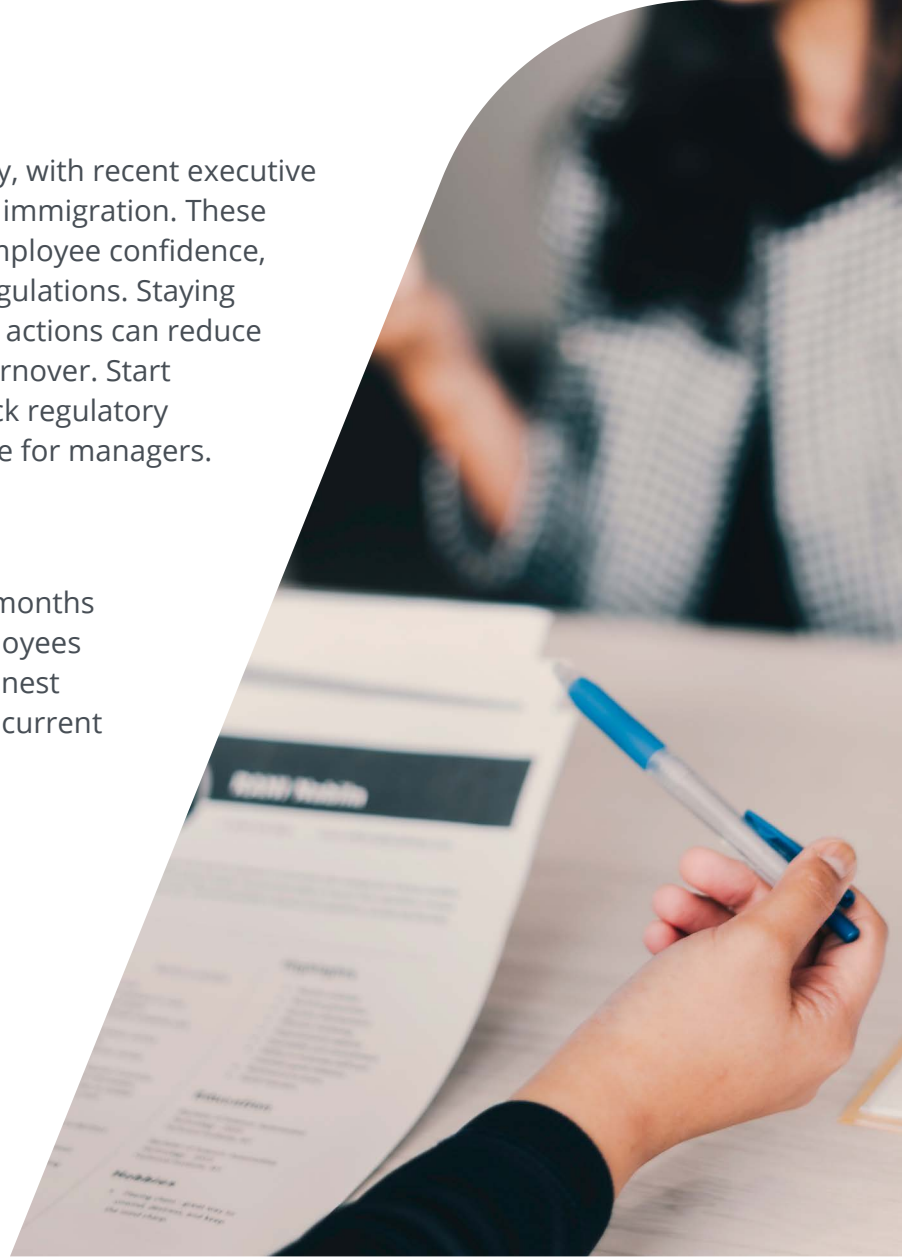
The regulatory environment is changing rapidly, with recent executive orders affecting DEI programs, AI at work, and immigration. These changes can disrupt workforce stability and employee confidence, especially if employees are unaware of new regulations. Staying ahead and communicating your organization's actions can reduce uncertainty and ease anxiety that may drive turnover. Start by appointing someone or a small team to track regulatory updates and translate them into plain guidance for managers.

Strategy: The Delayed Exit Interview

Exit interviews are standard, but try waiting 6 months before conducting them. By then, former employees have settled into new roles and often share honest feedback. These insights help you improve for current and future employees.

Start With Better Hiring

Turnover often starts before someone's first day. During the hiring process, be clear about what the job involves. Research shows 20% of employee turnover happens in the first 45 days, and mismatched expectations are a leading cause.⁵ Will this person thrive in your environment? And is your environment right for them? Getting this right upfront saves headache later.



The Bottom Line

High turnover is costly, disruptive, and often preventable. By understanding why employees leave, investing in their growth, and fostering a workplace they want to join, you build a stronger, more stable team and a healthier bottom line.

SOURCES

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²Durth, S., Goran, J., and Hancock, B. (2026, April 6). *How AI Is—and Isn't—Changing the Future of Work*. McKinsey & Company. <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/the-organization-blog/how-ai-is-and-isnt-changing-the-future-of-work>

³Durth, S., et al. (2026).

⁴Kirchherr, J., et al. (2025, July 3). *HR Monitor 2025*. McKinsey & Company. <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/hr-monitor-2025>

⁵SHRM. (2024, December 30). *70 Pivotal HR Statistics for 2025*. SHRM. <https://vendordirectory.shrm.org/company/911224/news/3557389/70-pivotal-hr-statistics-for-2025>

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