

Retention Continues Upward Surge as Employees Stay at Their Jobs In 2024

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The increase is “welcome news,” especially as the struggle to retain workers has become a norm in the labor market, Eagle Hill Consulting’s CEO said.



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Employee retention spiked upward during the second quarter of 2024, continuing a first-quarter increase and signaling the potential for lower employee attrition through the rest of the year, according to a July 22 report from Eagle Hill Consulting.

Based on the firm’s Employee Retention Index, retention numbers reached the highest point in 18 months and surpassed the previous high point observed during the first quarter of 2023.

The increase is “welcome news for employers struggling to retain employees, which has become the norm amid a remarkably strong labor market and economy,” Melissa Jezior, president and CEO of Eagle Hill Consulting, said in a statement.

Baby boomer and Generation Z employees largely drove the increase in retention numbers during the second quarter, the report found. Millennials had a slower increase, while Gen X was lowest and the only generation to see a decline. Both baby boomers and Gen Z workers had sharp and “almost parallel” increases across three drivers of retention — organizational confidence, culture and compensation — Jezior said.

Looking at gender, men had a greater increase during the second quarter and are more likely to stay at their jobs during the next six months, the report found. A “substantial gender gap” remains in retention sentiment, with only a small increase among women.

Based on Eagle Hill’s individual index factors, organizational confidence had the largest jump, although it’s been the most volatile indicator historically. Culture had the second-largest increase, followed by compensation, which was the strongest indicator for the second quarter. Job market opportunity, which was the lowest indicator for the quarter, still increased by nearly three points and continues to be relatively stable, the report found.

The Eagle Hill data mirrors the U.S. Department of Labor’s latest Job Openings and Labor Turnover Survey, which found hiring and job opening rates were higher in May as the quit rate remained unchanged around 2%, indicating that employees are more likely to stay, even with open opportunities at other organizations.

In addition, during the first quarter of 2024, 72% of employees said they plan to stay put for now, according to a WTW survey. They cited pay, job security, health benefits and flexible work arrangements as the top reasons for both talent attraction and retention.

With steady or decreasing attrition, employers can work on succession planning and enhancing their value proposition, CHROs told HR Dive. Now is the time to create a workplace where employees want to stay, including benefits, employee experience and opportunities for learning and development, they said.