

How Evolving Work Practices Influence Employee Retention

Adare's HR Barometer 8.1 has found that while Organisations expect Employee turnover rates to stabilise this year, there has been a notable pivot in Employee retention strategies with less focus on financial incentives and a greater focus on enhancing the overall benefits and reward packages offered to new and existing talent.

Changes in Working Practices

The survey reveals that many Organisations appear to be wrestling with the dilemma of whether or not to maintain flexible working arrangements that have been in place since the pandemic years. The figures from Adare's latest HR Barometer suggest that more and more Employers are favouring a shift back towards traditional in-office work arrangements.

Some notable figures from the most recent HR Barometer include:

- 46% of the workforce are on hybrid working arrangements – down substantially compared to September 2023 when 72% were classified as hybrid.
- 58% of the workforce are operating under either remote or hybrid conditions – a notable reduction from September 2023, when the figure was at 79%.

The figures show there has been a sharp recent rise in Organisations bringing workers back to the office which likely reflect concerns at senior executive level around maintaining company culture and Employee engagement within a hybrid working model.

What Does This Shift Mean in the Context of Retention?

The survey also revealed that Employee retention is the second highest priority for Organisations in 2024. Although the labour market has been showing signs of easing, the continuing prioritisation of retention means HR teams remain firmly focused on developing a suite of Employee benefits that minimise the risk of workers seeking alternative employment.

To combat Employee turnover, Organisations have traditionally increased salaries and it is notable that the most recent data show a slight decline in this practice. Instead, there's a notable pivot towards diversifying retention strategies by enhancing overall benefits and total reward and maintaining flexible working arrangements. So, while more Organisations are seeking more in-office time, there is also evidence that Employers are developing a deeper understanding of modern workforce expectations.

Although many Organisations are seeking to increase the amount of time Employees spend onsite, recent legislative changes around remote and flexible working have also compelled Employers to develop a more nuanced understanding of what drives Employee engagement and retention. By moving beyond salary increases as the primary method of retention, companies are recognising the diverse needs of the modern workforce.

Employee Benefits Moving Forward

Implementing flexible work arrangements, enhancing overall benefits packages, and ensuring staff have career development opportunities demonstrate to Employees that the Organisation's work practices are aligned with their best interests. This approach not only addresses the immediate challenges of talent retention in a competitive labour market but also builds a foundation for long-term organisational resilience.

For Organisations, this means adopting a more holistic view of Employee satisfaction, where fostering a positive company culture and investing in an appealing Employer Value Proposition become crucial elements of attracting and retaining talent. The figures show that Organisations are seeking to understand the reasons behind Employee turnover and to strategically address any issues identified through a more Employee-centric HR management strategy. This strategic pivot is expected to cultivate a more engaged, loyal, and productive workforce, ultimately driving organisational success.

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