

5-Step Game Plan for Creating an Effective Employment Retention Strategy



The dynamics of employee retention have changed. Compensation alone is no longer enough to keep talent in the fold. In this new world of [labour shortage](#), [workforce ageing](#), [intraprovince mobility](#), and [evolving employee expectations](#), HR directors must take a more structured, data-driven approach. Rather than a single program, a retention strategy should be an integrated system that aligns pay, growth, leadership, flexibility, and compliance. Here's a 5-step retention strategy game plan that you can implement at your organization.

Step 1. Analyze Retention Risk Data

As in most HR endeavors, intuition and assumption are a recipe for failure in retention. An effective retention strategy must be based on hard data and analysis. **Action Steps:** Gather and analyze [turnover data](#) at your organization by:

- Role.
- Employment tenure.
- Age cohort.
- Location.
- Manager.

Best Practices: In analyzing the data, focus on voluntary turnover initiated by the employee and distinguish between "regretted losses" and turnover of employees you didn't mind losing. Use exit interview data consistently and supplement it with stay interviews for critical roles. Keep in mind that in Canada, turnover risk is often highest at the 12–24-month mark, especially for early-career and skilled-trades employees.

Step 2. Make the Most Out of Compensation Increases

Keeping compensation competitive is still crucial to retention. But in these [times of tight budgets, companies must invest their retention dollars wisely](#). Increases targeted to key positions are far more effective than across-the-board raises that increase costs without providing commensurate retention rewards. **Action Steps:**

- Prioritize pay increases for high-turnover, hard-to-fill or safety-critical or

other key roles.

- Benchmark pay against local and regional labour markets, rather than national averages.
- Review total rewards, including benefits, pensions, and paid leave and not just base pay.

Best Practices: Clearly communicate the full value of the retention benefits you provide which employees often undervalue, such as employer pension contributions, health spending accounts, and paid sick days.

Step 3. Create & Maintain Clear & Attractive Career Pathways

In deciding whether to stay at an organization, employees look at not just money but what the future holds. So, it's vital to offer them a [future career vision that they're able to not just picture but also desire](#). **Action Steps:**

- Define clear career paths for key roles, including lateral and hybrid moves.
- Link development plans to specific skills and competencies, rather than vague goals.
- Support internal mobility across provinces where legally and operationally feasible.

Best Practices: Offer employees in regulated or credentialed roles financial, scheduling and other support for certification, licensing, or [upskilling](#).

Step 4. Invest in Front-Line Leadership Capability

Lack of or low-quality supervision is lethal to retention, not to mention productivity, profitability, and legal compliance. Strong supervisors reduce not only turnover but also grievances, absenteeism, and mental health claims. **Action Steps:**

- Train managers on performance feedback, as well as [respectful workplace](#), [reasonable accommodations](#) and other legal requirements that bear on their responsibilities.
- Hold leaders accountable for retention outcomes, not just operational results.
- Monitor turnover and engagement data at the manager level.

Best Practices: Effective methods of holding leaders accountable include setting clear, measurable (SMART) goals, conducting regular performance check-ins, and use of data-driven metrics to track progress.

Step 5. Embed & Practice Flexibility

For modern employees, flexibility has become a baseline expectation, not a simple perk. Failure to accommodate this demand puts a company at a major competitive disadvantage. **Action Steps:**

- Allow for remote, hybrid, or flexible scheduling arrangements where feasible.
- Establish clear [written policies and procedures](#) for approving, managing and, where necessary, terminating such arrangements without exposing the company to [constructive dismissal](#), discrimination, breach of contract/collective agreement, and other liability risks.
- Train managers to handle flexibility requests properly and document decisions.

Best Practices: Establish productivity standards for remote work and use [artificial intelligence](#), [remote monitoring](#), and other digital technologies to ensure that

[employees meet them but in a way that doesn't violate employees' privacy](#) and other legal rights.

Key Takeaway for HR Directors

While the specific formula for retention differs from company to company, whatever strategy you use won't be effective unless it's data-driven, targeted, clearly communicated, consistently applied, and legally compliant. As HR director, your role is to connect workforce analytics, leadership capability, and compliance into a single, coordinated approach—and do it proactively before turnover becomes a business risk.