



From High Turnover to High Agility:

Rethinking Retention to Drive Performance

FranklinCovey

Unpacking the New Workforce Reality

When CEOs talk about the most important skills for their workforce today, one theme rises above the rest: **agility**. In an environment that's increasingly defined by volatility and disruption, the ability to adapt is imperative. In fact, many companies now operate in a near-constant state of transformation.

For those in leadership, a critical question is whether their organization's hiring and retention strategy is aligned with this new reality.

The forces shaping this environment are everywhere. Digital disruption, economic volatility, new regulations, and evolving customer expectations are changing how companies compete and deliver value. Some of these shifts are continuous. Others demand step-function attention, as with a major acquisition, business model reinvention, or full-scale reorganization. In all cases, the pressure to stay agile and build resilient teams gains intensity.





While organizations widely recognize workforce agility as a strategic priority, many struggle to achieve it. According to Gartner research, **CEOs rank workforce issues**—including retention, attraction, and talent development—as their second-highest priority. But **HR leaders express low confidence** in their organizations' ability to rise to the challenge: 74% say managers are not equipped to lead amid change, and 73% say that employees are fatigued from change.

Compounding the challenge is that at the very moment when leaders most need engaged, adaptable teams able to navigate the challenges of uncertainty and change, many employees are eyeing their exits. Nearly half of workers are considering a job change, according to a **2024 study by LinkedIn and Microsoft**. The pressure is especially acute in sectors where talent shortages and high churn are already straining operations and undermining resilience—including retail and wholesale (**24.9% turnover rate**), hospitality (**38.7%**), and healthcare (**20.9%**).

That's why retention must stay top of mind. In a world that demands constant adaptation, keeping agile and resilient employees is a strategic advantage. And that edge can easily be lost if churn is ignored.

The High Cost of Employee Churn—and What Actually Brings It Down

High employee turnover carries a steep cost, both in direct financial and indirect human terms. Replacing a single employee can cost anywhere **from 40% to 200% of their annual salary** once recruitment, onboarding, and training are factored in. And the hidden costs of high churn may be even greater: diminished morale, lower productivity, and the loss of institutional knowledge that's hard (or even impossible) to replace.

Much of that churn is preventable. According to the **Work Institute**, 63% of employee exits in 2024 stemmed from internal factors such as career stagnation, ever-expanding workloads, and ineffective management. Other commonly cited reasons include inadequate compensation, toxic workplace culture, and poor work-life balance. At a time when organizations need stability and loyalty on one hand, and extreme adaptability on the other, these failures prove especially costly; they invite our most dynamic team members to take their talents elsewhere.



Organizations have many levers for improving retention: compensation, flexibility, and recognition among them. **An even smaller set of critical focus areas, when pursued with intention, can play an outsized role in building and sustaining the talent that enables an agile workforce.** And when these factors are neglected, they can just as easily become liabilities. They include:

- Bridging the engagement gap.
- Establishing a foundation of trust.
- Aligning work with purpose.
- Building a culture of learning and feedback.

The following sections explore how each of these factors contributes to retaining adaptable, high-performing talent.

Bridging the Engagement Gap



Engagement is a multidimensional concept that reflects an employee's emotional connection to their work. Among other things, it encompasses a sense of connection, passion for the role they hold, and commitment to the organization's goals.

Engagement is often confused with job satisfaction, says FranklinCovey Global Practice Leader of Execution Chris McChesney. Whereas job satisfaction is related to factors such as compensation, having a best friend at work, or liking your boss, engagement is different: It's more about having a goal that allows work to feel like a winnable game that matters.

"If you're worried about keeping high-class talent, you pay attention to engagement," McChesney says. "It's the sense of futility that really burns people out."

A culture of engagement is a retention driver for all employees but holds particular value in attracting and keeping those who thrive in fast-paced, high-rate-of-change environments. Top talent, McChesney says—the kind that will enable an agile, high-performance team—needs this kind of focus.

Engagement is also likelier to be absent than present: **Gallup finds** that just 31% of U.S. employees are engaged at work, representing a 15 percentage-point decline since 2020. The global figure is a mere 21%, down two points since 2023.

While compensation is often cited as a top reason for leaving a job, other factors weigh heavily and, when taken together, shift the balance toward engagement. In 2024, 37% of employees who quit pointed to “engagement and culture” as the primary factor for their departure, while another 31% cited “wellbeing and work-life balance,” **according to Gallup**. That means nearly 70% of departures were driven by factors tied directly to how people feel at work, making them four times more common than exits motivated by “pay and benefits” (cited by 16%).

While an organization’s most agile, adaptable employees often show up with high self-awareness, deep self-confidence, and a disciplined temperament, those qualities require a supportive environment to gain traction and thrive. With support, these qualities become more durable and sustained in their application—enabling the team member to manage through ambiguity while performing under pressure and staying focused on outcomes. When they know the organization has their back, they’ll not only be more likely to stay, but they’ll also bring energy, creativity, and even joy to the work of transformation.

Engagement feeds a series of mutually reinforcing positive dynamics. It drives retention while also giving your most agile employees the support they need to excel. In turn, their continued presence strengthens team continuity and cohesion, which are themselves essential for sustained performance amid constant change. The result is a more resilient workforce that’s better equipped to adapt, deliver, and grow.

Action Item: Elevate Engagement Through Clarity and Focus

Persistent feelings of being overworked and overwhelmed can lead to a sense of futility that undermines engagement. Focus can be a powerful antidote. Clarify one or two meaningful goals for your teams, and make sure those goals are shared, measurable, and achievable.

Ask yourself: *Do my team members know what they’re working toward? Can they shape the strategy to get there? Do we regularly measure our progress through lead measures? Am I helping them play a winnable game?*



Establishing a Foundation of Trust

While engagement is rooted in emotional connection and motivation (or how employees *feel* about their work), trust determines how they will engage with one another within that environment. **Trust** empowers team members to take initiative, assume new responsibilities, and operate with autonomy. For organizations working to retain high-performing talent, trust is a prerequisite for transformation and change.

Agile employees are often the ones asked to stretch—to take on unfamiliar roles, lead new initiatives, or navigate change without a playbook. That kind of adaptability can't be commanded; it must be enabled. Employees will only step into the unknown when they trust that leadership will support them, not penalize them, if things don't go perfectly. That means they need to have trust in their managers, their teammates, and the organization's broader intent. Especially for ambitious employees, trust provides permission to fail and the confidence to lead.

Trust also plays a critical role in workforce mobility—a capability that's becoming increasingly important as companies reskill large portions of their teams to keep pace with technologies like generative AI. Yet in a 2024 **Gartner survey of HR leaders**, fewer than 20% said their organization is effective at moving talent based on business needs, and 62% cited uncertainty about future skills as a major risk.



These kinds of transformations require a foundation of trust. Employees need to believe that acknowledging a skills gap won't make them vulnerable—that vulnerability will be met with support, not sidelining. Without that foundation, people are more likely to hoard knowledge, resist lateral moves, or disengage entirely.

This dynamic is especially important for younger employees, particularly **Gen Z**, who are still establishing their footing in the workplace. Conversations about workforce efficiency, restructuring, or AI-driven change can be unsettling for less experienced team members—especially when they already feel vulnerable. (According to Deloitte's **2025 Gen Z and Millennials Survey**, 48% of Gen Zs report feeling financially insecure, up sharply from 30% the previous year.) That sense of instability undermines trust, particularly in sectors like retail and hospitality where job security and starting wages are low. And yet, this same generation will be critical to your future—both as the operational backbone of your organization and as a key source of insight into emerging trends, evolving customer expectations, and cultural change.

Trust, like engagement, also improves cohesion, allowing agile teams to move quickly and decisively. As Stephen M. R. Covey writes in *The Speed of Trust*, high-trust cultures not only increase engagement but accelerate decision-making, collaboration, and performance. Teams that trust each other's competence, follow through on commitments, and recognize the human dimension of work are far better equipped to respond to change. When the pressure is on, that trust becomes the difference between a resilient culture and one that fractures.

Action Item: Audit Your Cultural Trust Level

Trust can be a force multiplier... or a silent drag on performance. Work with your HR leaders to perform an informal trust audit. Lack of trust can be easy to spot: Ideas are rarely shared openly, office politics are thick, and innovation is rare. Once you know your trust balance sheet, you can begin to work on the root causes.

Ask yourself: *Are our brainstorming sessions engaging and energetic? Are decisions made transparently? Where are the new ideas coming from? How is our most innovative team different from our other teams?*



Aligning Work With Purpose



Aligning work with purpose means ensuring employees understand why their contributions matter—to the organization, to your customers, and sometimes to society at large. When your people can see how their role contributes to a larger goal, their work becomes a profound source of motivation and identity.

As a result, purpose plays an essential role in recruitment and retention, which has been borne out by many studies. **McKinsey** published its much-cited white paper, “Help your employees find purpose—or watch them leave,” in 2021. In 2024, **Great Place to Work** reported that people are 2.7 times more likely to stay if their work is meaningful. A 2025 **Deloitte** study revealed that 43% of respondents work “for purpose” or “for the quest or craft”—the top response on a combined basis.

Purpose is especially critical in high-turnover industries. In healthcare, for example, where burnout is common and personal instincts or values often conflict with administrative requirements, reconnecting frontline workers with the “why” behind their roles can be a powerful retention strategy. Similarly, in retail and hospitality, where emotional labor is intense and recognition can be minimal, purpose offers a deeper anchor against volatility.

For organizations seeking to retain agile, adaptable talent, aligning around purpose introduces a productive tension. Agility asks employees to move fast and stay flexible; purpose offers stability and direction. Paradoxically, it's often a strong, embedded sense of purpose that makes change difficult, but that's also what helps people navigate it. Like the North Star or a landmark on shore, purpose provides clarity amid stormy and uncharted waters. When leaders operationalize it—through onboarding, performance reviews, and consistent communication—they show how purpose and agility can, and should, coexist.

When individual growth aligns with organizational purpose, retention improves and performance accelerates. Companies that invest in employee development tied to organizational goals and mission see measurable returns. This insight has been backed by at least two decades of research, including an [EY/Harvard Business Review study](#) and [Firms of Endearment](#), which found that purpose-driven, stakeholder-focused companies consistently outperform their peers in long-term shareholder value, employee retention, and customer loyalty.

Action Item: Use the Bully Pulpit to Anchor Purpose

Purpose doesn't stick without amplification. Consider your communications cadence, and how you might better use your voice. All-hands meetings, team huddles, and internal updates can be powerful mechanisms to draw a sharper connection between the work and the why.

Ask yourself: *When was my last all-hands and what were its goals? Did I strive to inspire or simply to galvanize action? Are performance indicators and objectives clearly tied to the company's mission?*



Building a Culture of Learning and Feedback

Retention thrives in cultures of continuous feedback, learning, and development—and occasional town halls and annual reviews are not enough. Gallup found that **42% of turnover is preventable** and approaches like collaborative goal setting, ongoing feedback, and a focus on accountability are among the most powerful tools in reducing disengagement.

Yet many organizations fall into the trap of reactive management. Employees receive feedback only when problems arise, creating an environment of fear and disconnection. Instead, companies must build coaching cultures where feedback is normalized, expected, and empowering.

Learning and development must be purpose-fueled to serve both the employee's and the company's needs. Within fast-paced, transforming organizations, personal and professional development should fully acknowledge the pace and the pressure—offering support without crowding or micromanaging your high performers.





Watch how Advent Health reversed leader churn by more than 50%.

Leaders need development just as much as, if not more than, junior staff because strong leadership is a prerequisite for retention. **LinkedIn data** shows that nearly seven in 10 U.S. workers would leave a job because of a bad manager. Still, many managers are trained only in operational skills like financial reporting or process optimization—and not in the people-focused capabilities that arguably matter even more. Compassionate and transparent communication, developmental discussions, the capacity for navigating difficult conversations, and the ability to lead effective 1-on-1s are all essential. Just as critical are strong written and verbal communication skills, which are often overlooked but are central to building trust and accountability within teams.

Onboarding also plays a crucial role. Research shows that comprehensive onboarding programs—those that include mentorship, expectation-setting, and cultural integration—can improve new hire retention by as much as **58% to 82%**. However, many companies still view onboarding as an administrative and compliance activity rather than a strategic opportunity.

A learning culture not only convinces current employees to upskill and stick around, but it's also a powerful means of talent acquisition for the newest additions to the workforce. According to Deloitte's [Gen Z and Millennials survey](#), Gen Zs rank learning and development among their top three reasons for choosing an employer and place high value on receiving mentorship versus oversight of daily tasks.

Organizations should invest in structured mentorship, peer learning cohorts, and feedback loops that bridge the gap between intention and experience. Recognition programs should also evolve from occasional awards to everyday acknowledgments that reinforce progress, effort, and impact. And, for younger generations, organizations might consider redesigning their talent models to include lateral moves, gig-style projects, and internal talent marketplaces. Together, these systems create a culture of ongoing development where employees feel seen, supported, and motivated to succeed.

Action Item: Take Inventory of Your Learning and Feedback Culture

As with trust, undergoing an informal audit in partnership with HR can ensure you're taking full advantage of available opportunities for learning, development, and feedback. In some organizations, feedback is missing entirely. In others, layers of legacy systems have made it rigid and impersonal. Tailored, timely feedback is more powerful than any formal review process.

Ask yourself: *Does our culture emphasize feedback? How do we currently give and receive feedback at all levels? Do we track the adoption and effectiveness of our learning and development programs? Are the right kinds of learning and development available at the right times and to the right people?*



Retaining Talent in a Changing World

For organizations in a state of constant transformation—and what organization today isn't?—talent retention is essential to sustaining progress and keeping teams aligned through change. It's a core business priority that CEOs and CHROs must weave into the fabric of their operating model.

To avoid falling prey to these statistical probabilities, organizations need to commit to building trust and bridging the engagement gap, aligning work with purpose, and cultivating a culture of feedback and learning. When executed as part of a retention strategy, each of these priorities contributes to an engaged, loyal, and high-performing workforce.

Forward-thinking companies treat retention as a throughline across the entire employee experience. By building it into recruiting, onboarding, development, and recognition, they reduce turnover and create cultures that attract top talent and support high performance.

In sectors like retail, hospitality, and healthcare—where turnover has become normalized—leaders must reject that premise and instead create environments so compelling that people not only stay but thrive. Even in industries where employee churn is not as prevalent,

strong talent retention strategies will help create the adaptable workforce businesses need today. The future belongs to the organizations that talented, passionate people want to work for. Let that be your competitive advantage.

FranklinCovey provides the solutions successful organizations need to retain agile talent by engaging their teams with purpose, building trust and resilience, and establishing a culture of lifelong learning to unleash breakthrough results. Our world-class programs, delivered Live-Online or Live In-Person, are designed to develop effective leaders and teams with the human-centric, tech-enabled approach required for an evolving world.

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