



# ***HOW SMART COMPANIES TACKLE TURNOVER BEFORE IT STARTS***

*Engaged teams don't leave—here's how  
to build them.*

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# Welcome



## *# The Talent Crisis Isn't Coming — It's Already at Your Door*

Across various sectors such as finance, engineering, and operations, turnover rates are escalating, and the repercussions extend beyond just financial implications. In some industries, nearly one in four professionals is expected to leave their positions this year, while in others, turnover has soared past 60%. Additionally, we are experiencing the most generationally diverse workforce we have ever seen. More information can be found here: [5 Generations Working Today](#)

For companies already grappling with skill shortages and heightened competition, these departures create more than just hiring difficulties; they disrupt continuity, diminish productivity, and erode institutional knowledge.

This is not merely an HR challenge. Each departure affects client relationships, delays projects, and leads to unexpected recruitment expenses. The Society for Human Resource Management (SHRM) estimates that replacing a key employee can cost between 50% and 200% of their annual salary. When multiplied across several exits each year, it becomes clear that retention is not just a soft metric—it's essential for business success.

Fortunately, moments of crisis often present new opportunities. Organizations that prioritize retention can gain a significant competitive edge. The manufacturing firms that will thrive in 2025 and beyond may not necessarily be those with the largest talent budgets.

Instead, they could be the businesses dedicated to engaging, supporting, and developing their teams. Consider this: McKinsey reports that 87% of organizations are already confronting skill gaps. What if you concentrated on retaining the talent you currently possess rather than perpetually searching for new hires?

This guide will serve as your practical playbook for reversing the trend of turnover and enhancing engagement. We will delve into why retention is your secret weapon for resilience and success in a complex talent market, and provide you with the strategies necessary for sustainable growth.

—Mark

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# Understanding the 2025 Talent Retention Landscape

Many companies struggling for technical finance and engineering resources today feel like they are facing an uphill battle searching for talent. However, the complicated hiring space is not just a result of employees demanding “more” from employers. Many professionals today are struggling, too. They feel stuck, undervalued, and unsure of what’s coming next in their industry.

Around three-quarters of UK professionals say they’ll be looking for a new job this year, but only 48% feel confident about the opportunities in their sector.

## **The White-Collar Recession**

The world is changing faster than we can react. Just look at the emerging “white collar recession.” In the last couple of years, professionals in industries like technology and law have started dealing with huge layoffs, created partly by a growing number of companies replacing workers with AI to cut costs. In 2024, 40% of white-collar workers said they didn’t land a single interview despite their skills.

When workers face layoffs in traditionally “secure” sectors, panic emerges. For many employees, hearing that AI can do “parts of your job” creates uncertainty and, at times, fear. Without transparent communication about how roles will evolve and how employees will be supported through retraining, workers can begin to see themselves as temporary placeholders – biding their time until a computer takes their role.

No wonder technical employees are thinking about jumping ship – before they drown.

## **Rethinking the Employee Value Proposition**

Although employees increasingly worry about “AI job displacement,” employers still demand more. A

strong wage/salary isn’t enough to guarantee loyalty anymore. Gartner found that most employees believe they should be growing faster than they are and accessing more development opportunities.

Technical employees are prioritizing growth and development because they know in-demand skills are quickly changing. Beyond that, many professionals, especially younger millennials and Gen Z employees, see their job as an extension of their identity. They want to contribute to companies with missions they respect and to see a clear path forward for themselves in that environment.

Today’s employee value propositions must go beyond salary and health benefits and deliver a comprehensive combination of opportunity, meaning, and psychological safety in the workplace.

## **Wellbeing is Now a Dealbreaker**

Speaking of evolving priorities, well-being is now one that employers cannot afford to overlook. Wellbeing has evolved from a post-pandemic buzzword into something every candidate wants to pursue—and it makes a real difference in hiring and retention.

The reality is that today’s employees are exhausted, overwhelmed by uncertainty, changing work experiences, and new technology. According to Deloitte, **77% of employees** report experiencing burnout in their current roles, and mental health is now cited as one of the top three reasons for leaving an employer.

That’s why top employers are prioritizing wellness, empathetic leadership, and flexible schedules to retain top talent.



## The Foundation – Employee Engagement Strategies

So, how do companies retain top Finance and Engineering talent in this environment? It all starts with engagement. Engagement is a company's heartbeat—driving innovation, motivation, and resilience. But it is incredibly difficult to build and preserve.

Gallup says that only around 23% of employees worldwide are actively engaged, but companies with engaged workers are also 23% more profitable.

Plus, there is a clear connection between engagement and retention. Engaged staff feel a sense of ownership and pride in what they do, making them far less susceptible to the lure of other offers.

The opposite is also true. When people feel disconnected from their work, they do not just become less effective -they become flight risks. And in 2025's hypercompetitive, skills-scarce labor market, that risk can turn into reality fast.

So, if you want your Finance and Engineering staff to stay, give them a reason to care about their roles.

### Making Work Meaningful

One of the most powerful ways to boost engagement is to give your team members a purpose. People want meaning in their work—they want to feel like what they are doing every day matters, particularly when AI is automating more tasks.

So, how do you make work feel meaningful?

First, make your mission clear in everything you do. Highlight your focus whenever you assign tasks, communicate goals, and recognize achievements. For instance, at a consultancy helping nonprofits refine their fundraising strategies, you might remind team members that their analytics support critical community services.

Go a step further with “job crafting.” Encourage employees to mold parts of their jobs to match their passions or strengths. That could mean a project manager with a creative streak takes on content creation for marketing, or a data analyst with people skills helps train new hires.

It is all about empowering employees to architect their work experience rather than forcing them to follow along.

Plus, remember that purpose also comes from “growth.” Motivation, engagement, and meaning dwindle when opportunities to develop and grow are limited or unclear. Get experimental. Offer your technical employees various learning opportunities, from mentorship programs to micro credentials. Work with each staff member to create a personal learning pathway aligned with their professional goals.

Show your employees your commitment to helping them achieve their purpose; they are more likely to want to stay with your company.

### **Building a Culture of Recognition**

Alongside meaning, employees also need recognition to feel engaged. Everyone wants to feel seen and appreciated for what they do. Gallup even found that employees who feel regularly recognized are four times more likely to be engaged, and 63% more likely to stay.

Unfortunately, many Finance and engineering leadership teams struggle to find the time to commend their teams or offer feedback properly. Pizza Day really does not cut it.

Take a more proactive approach to acknowledging your staff. Do not just say, “You did a great job.” Say, “Thanks for staying late to finalize that client pitch. It made a big difference to our proposal's success.”

Skip the generic praise. Be specific: “Thanks for staying late to finish that client pitch—it helped us win.” Clear, timely recognition reinforces what matters and shows employees their work has real impact.

Recognition should be embedded in your culture—not saved for formal reviews. Use quick gratitude, team shout-outs, or simple internal tools to celebrate everyday wins. Small, consistent gestures build alignment, boost morale, and strengthen retention—no massive bonuses or office parties required.

# Flexibility as a Retention Strategy

Building adaptive work environments that keep top talent engaged and committed

Flexibility has become a priority for most professional candidates exploring job opportunities, especially when talent is tight. According to one report, 84% of male and 91% of female workers prefer a flexible schedule. Many candidates have already discovered the benefits of hybrid and remote work and do not want to return to strict schedules.

Unfortunately, many employers want to push their team members back into the office. However, offering “flexibility” does not have to mean giving everyone the option to work remotely. It is all about building a strategy that gets team members in the office when they need to be there while respecting their desire for autonomy and versatility.

## Navigating Work Model Tensions

Many roles require an employee's physical presence. According to KPMG, 76% of UK financial services leaders plan to increase office attendance in the next 12 months.

Instead of defaulting to one extreme or the other, high-retention organizations are co-creating hybrid models with their people.

This means:

- Clarifying the “why” behind in-office time: whether it is for client work, onboarding, or collaboration.
- Giving teams autonomy: Allowing staff latitude on how best to use working hours.
- Using pilots and pulse surveys: Connecting with staff to refine hybrid setups, rather than assuming one-size-fits-all.

When team members feel they have some say in their schedule, even if it is only partial, they feel happier and more respected at work.

## **Work-Life Balance: The Burnout Barrier**

Flexibility isn't just about where your team works—it's about how they manage workload, avoid burnout, and stay healthy.

Burnout is at an all-time high, especially in sectors undergoing rapid digital change. When it hits, it doesn't just affect one person—it disrupts teams, hurts productivity, spikes absenteeism, and increases turnover.

Talk with your team to uncover burnout triggers, then take action.

*Try strategies like:*

- Set communication boundaries: Prevent an “always on” culture. Encourage teams to mute notifications after hours—and model that from the top.
- Audit workloads: Don't overload your top performers. Just because someone can handle extra work short-term doesn't mean it's sustainable.
- Protect deep work time: Block meeting-free hours so employees can focus and manage energy—not just hours.
- Build in recovery: Use meeting-free Fridays, mental health days, or recharge weeks after big projects.

## **Beyond Location: Redefining Flexibility**

If remote work is not possible, manufacturers can offer flexibility in other ways:

- Time flexibility: Consider compressed workweeks, flextime, or outcome-based environments where results—not hours—are the focus.
- Role flexibility: Enable job sharing or shift responsibilities so employees can explore new skills and stay engaged.
- Career path flexibility: Sometimes lateral moves or temporary cross-functional roles support this growth keeps talent in-house.

# Skill Development and Career Progression

Want to know what the top cause for talent turnover is expected to be in 2025? Lack of development opportunities. 70% of staff say they'd be somewhat likely to leave their job if they could see an opportunity for progression elsewhere.

While many Finance and Engineering staff members have always valued growth, the changing workplace is increasing demand for skill development. Many employees are now worried that their abilities will no longer be relevant in the next few years. According to LinkedIn's Work Change Report, job skills will shift by about 70% by 2030. For employers, that's a threat and an opportunity. We have another report specifically on this topic here: [Skills vs. Credentials Report](#)

Failing to keep your workforce up to date can create massive internal skills gaps. On the other hand, a robust learning and development (L&D) culture becomes a magnet for talent.

## **Bridging the Gap: Constant Learning That Keeps People**

The demand for new skills is growing, yet most employees don't feel their organization can keep up. LinkedIn's report found many companies don't even reach the "measurement" stage of figuring out which skills they need to develop.

This means that employees stagnate, and businesses are left with growing skills gaps in crucial roles. Instead, manufacturing companies need to find a way to embed learning into the workflow. Consider adding microlearning opportunities to current projects or giving staff on-demand access to skill-building resources and mentorship programs.

Companies like Unilever, for instance, build internal talent marketplaces that match employees with real-time learning, gigs, and stretch assignments based on skill and interest, not just job title.



Take advantage of real-time feedback, too. Tools like Slack or Microsoft Teams can host dedicated channels where employees share industry articles, tips, and resources. This is peer-driven learning, happening organically as part of work.



## **Creating Career Paths in an Uncertain World**

Traditional career ladders are giving way to lattices or even “jungle gyms,” where employees might move laterally, diagonally, or in short bursts upward. Unfortunately, many technical employees still feel stuck, unsure how to move forward when the next step isn’t clear.

So, develop new career pathing strategies that reflect the current workplace. Design skill matrices that visually show employees how to move from their current roles into new projects or functions. Design internal mobility frameworks that make it easier for staff to explore different “branches” based on their passions and abilities.

Commit to having regular conversations with team members, asking managers to meet with staff to update and rework their development paths regularly. Don’t make it difficult for team members to see a future with your organization.

## **Embracing the Rise of “New-Collar” Talent**

The “new-collar” hiring trends reflect a growing shift towards hiring employees based on their actionable skills rather than traditional credentials. For instance, IBM promoted this idea by showing that many technology roles could be filled by people without degrees who received the right training.

This trend is already gaining momentum. 59% of employers hired new-collar talent in the past year. New-collar employees are adaptable, motivated, and keen to prove their value, but they also need tailored support to succeed in their roles.

This means many manufacturing companies will need to rethink their approach to onboarding, mentoring, and even reviewing the performance of new employees. There needs to be a focus on learning agility and constant growth, rather than legacy experience.

# Compensation and Benefits Strategies for Retention

Engineering and Finance candidates have many priorities in 2025, but salary still matters. Of course it does, right? In 2025, employees have become more discerning about total compensation packages, factoring in the size of the paycheck and the quality and breadth of benefits. They are evaluating if the employment experience is truly “worth it,” especially under mounting pressures like cost-of-living increases and job uncertainty.

## **Beyond Base Salary: The Power of Total Rewards**

To retain talent today, businesses need to think beyond “base salary.” For many, this means taking a “total rewards” approach – bundling bonuses, health coverage, retirement contributions, and benefits with salary opportunities.

Transparency and clarity are important here. Employees who can’t understand the full “package” they are getting are less likely to trust you, which means they are more motivated to start shopping around for a better deal. Sharing salary bands, bonus structures, and promotion requirements helps build trust with your workers.

## **The Benefits That Matter Most This Year**

Benefits are important this year, particularly if you want to retain your [sector] employees. While the types of benefits your employees value can vary, many modern workers are looking for things like private health insurance, bonus schemes, and 401K contributions.

However, they are also looking for more versatile, non-monetary incentives. Experiential rewards, such as access to leadership coaching or learning budgets, are also gaining traction.

The key to creating a successful benefits strategy is personalization. Connect with each of your staff members and find out what matters most to them – caregiving leave or access to coaching platforms.

# Retention in the Age of AI and Technological Change

Artificial intelligence, automation, and world-changing technologies are everywhere. They might be boosting productivity, efficiency, and even creativity in some sectors, but they are also raising worrying questions for employees, like “Will I be replaced by a machine?”

It's not just skilled, technical team members responsible for repetitive tasks like data entry who are nervous. Many roles are in flux as intelligent systems become more sophisticated. If organizations do not address their employees' fear that they're running on borrowed time, they invite disengagement and attrition.

## Supporting Employees Through Digital Transformation

Change fatigue is becoming a real problem. After several years of constant upheaval, employees are tired of the ground shifting beneath their feet. They want to see evidence that their employers will help them adapt and stay relevant.

The easiest way to get started is with holistic upskilling and reskilling strategies. Take a future-focused approach, helping employees understand things like data analysis, AI collaboration, and automation.

Figure out what skills your teams will need in the future and ensure they can develop them with workshops, project-based learning, and mentorship. Remember, don't just focus on digital skills or technical abilities either. The best upskilling programs should also invest in “human skills” like adaptability, critical thinking, and collaboration.

Throughout this process, consider carefully preserving psychological safety. Uncertain [sector] employees will need a space where they can voice their concerns, ask “silly” questions, and even make mistakes when they are learning how to adapt.

Ensure managers and leaders accommodate this, championing constant learning, and acknowledging the emotional impact of regular change.

## AI as a Retention Tool

It sounds unusual, but the same technology that is “threatening” some roles can also help to boost retention, when you use it strategically. For instance, many organizations in the [sector] industry are using AI and predictive analytics to help them identify which employees are most at risk of leaving, based on engagement metrics and performance data.

These insights can help managers intervene early with targeted support. Based on data, AI tools can suggest next steps for an employee's skill growth or identify ideal mentorship matches.

Conversational AI can even enhance employee experiences across the board, helping to answer HR queries, simplify access to benefits information, or support onboarding strategies. Plus, AI tools can also help employees become more effective and efficient, taking over the menial work so they can focus on tasks with meaning.



## Building a Practical Retention Strategy

Knowing why your engineers, analysts, or operations talent leave is a start. But real impact comes from a clear, consistent plan to keep them engaged—before the next resignation hits your desk.

### Start with the Facts

Strong retention begins with clarity. Many companies claim they have a “people problem,” but haven’t examined the data. Dig into 12–24 months of attrition—by department, tenure, role, and demographics. Look for trends, but don’t stop there. Use pulse surveys to surface early warning signs and give employees space to share what’s really driving them away.

### Map Out What Matters

Identify your top risks—whether it’s poor management, lack of growth, or burnout—and build a retention roadmap. If internal mobility is lacking, launch a talent marketplace. If feedback points to weak frontline leadership, invest in better training. Every initiative should have an owner and a deadline. Retention isn’t just HR’s job—it’s shared by leaders, managers, and teams.

### Measure, Adjust, Repeat

Track progress in real time. Don’t wait for an annual review. Use key indicators like:

- High-performer retention
- Voluntary vs. involuntary exits
- Engagement and well-being scores
- Promotion and development participation
- Career progression stats

### Retention Is a Growth Strategy

There’s no quick fix—but a thoughtful plan pays dividends. Invest in engagement, flexible work models, development, modern tools (like AI), and meaningful recognition. These efforts reinforce a workplace your people choose to stay in. In today’s competitive talent landscape, the companies that prioritize retention will preserve institutional knowledge, drive consistent performance, and build teams ready for what’s next. Those that don’t will lose more than talent—they’ll lose momentum.

## About MKIS Professional Search

MKIS specializes in helping companies build stronger Finance, Engineering, and Operations teams through precision recruiting, strategic succession planning, and proactive talent engagement. We understand the shift toward skills-based hiring—and we help our client-partners stay ahead by identifying professionals who can deliver real-world results, not just check boxes on a résumé.

If you're a ***business owner, C-Suite, VP, or HR leader***, we can help you:

- Strengthen your leadership pipeline
- Attract and retain high-performing talent with critical technical and business skills
- Move from a credentials-first model to a future-ready, skills-based approach

Why MKIS? With decades of real-world military and corporate experience in technical, commercial, and executive roles, we bring insider knowledge of your challenges—and a proven ability to find the right people to solve them. Our placements consistently drive performance, improve retention, and fuel growth.

If You're a ***Candidate***:

We work with professionals who are ready to take their careers to the next level—whether you're seeking a better fit, a new challenge, or a more rewarding environment. If your skills are underutilized or overlooked, let's talk.

- We can help you:
- Position your experience to stand out in today's evolving job market
- Identify roles that align with your strengths, goals, and values
- Navigate the hiring process with clarity, strategy, and support

Email us at [mark@mkis.us](mailto:mark@mkis.us)

Learn more at [www.mkis.us/about](http://www.mkis.us/about)

Let's Build What's Matters—together.

