

# The Impacts of Talent Development on Employee Retention



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# Introduction

This survey of 471 employees and 577 talent development professionals explores the factors that retain employees, reasons they leave, employer perceptions of these pull-and-push factors, and the overall effects of voluntary turnover.

At first glance, it might seem that organizations understand their workforce. Most organizations monitor voluntary employee turnover:

- 90 percent of organizations track employee turnover.
- 82 percent of organizations track reasons for employees leaving the organization.
- 67 percent of organizations have a formal employee retention strategy.
- 75 percent of organizations conduct exit interviews.
- 53 percent of organizations conduct stay interviews.

While tracking this information is important, notable misalignments between employees and employers still exist, and high rates of voluntary employee turnover continue to adversely affect productivity, institutional knowledge, recruiting efforts, employee morale, and revenue within organizations.

This research highlights how employees and employers can better align their experiences and perceptions. It shows that while career advancement and training opportunities are important for keeping employees, they often take a backseat to other factors, though they still differentiate satisfied employees from dissatisfied ones. With these insights, employers can develop stronger and more effective retention strategies to reduce voluntary turnover and retain top talent.



**67%**

**of organizations have  
a formal employee  
retention strategy.**

## Key Finding #1: High turnover rates negatively impact organizations, and job search intent is high.

Twenty one percent of organizations report an annual turnover rate of 25 percent to 49 percent, and 10 percent report a rate of 50 percent or higher. Meanwhile, nearly two-thirds of employees have some level of job search intent—19 percent are actively looking for a new job, and 44 percent are not actively searching but are monitoring the job market.

How does this affect organizations? The majority report that voluntary turnover has a negative impact, ranging from moderate to a great deal.



# 21%

of organizations report an annual turnover rate of 25% to 49%.

# Making Retention a Priority

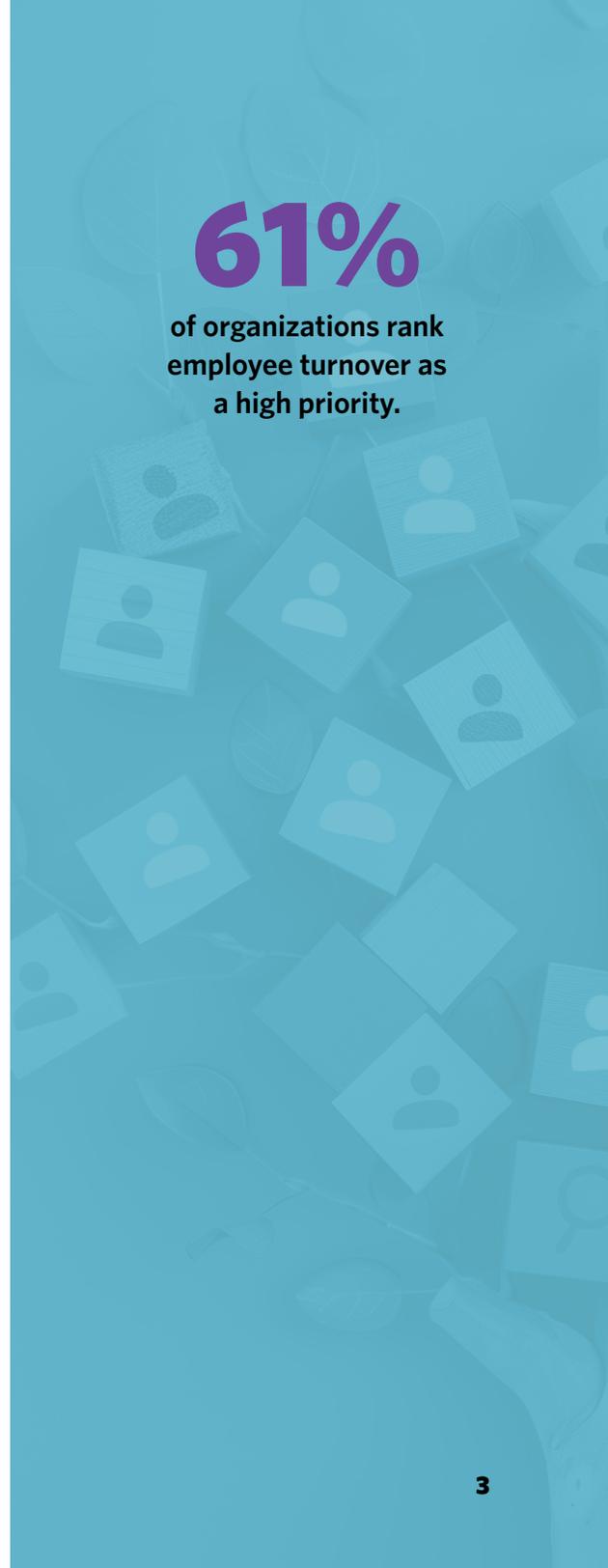
Despite the impact that turnover has on organizations, less than two-thirds of organizations (61 percent) consider retention a high priority.

## Is employee turnover at your organization a high, medium, or low priority?



■ High priority ■ Medium priority ■ Low priority

Interestingly, organizations with higher turnover rates are more likely to recognize that voluntary employee turnover has a negative impact on revenue, productivity, recruiting efforts, employee morale, and institutional knowledge. Yet, surprisingly, they don't always prioritize retaining employees. In fact, organizations with a 50 percent or higher annual turnover rate are even less likely to see employee retention as a high priority, less likely to monitor employee turnover, and are significantly less likely to have a formal retention strategy.



# 61%

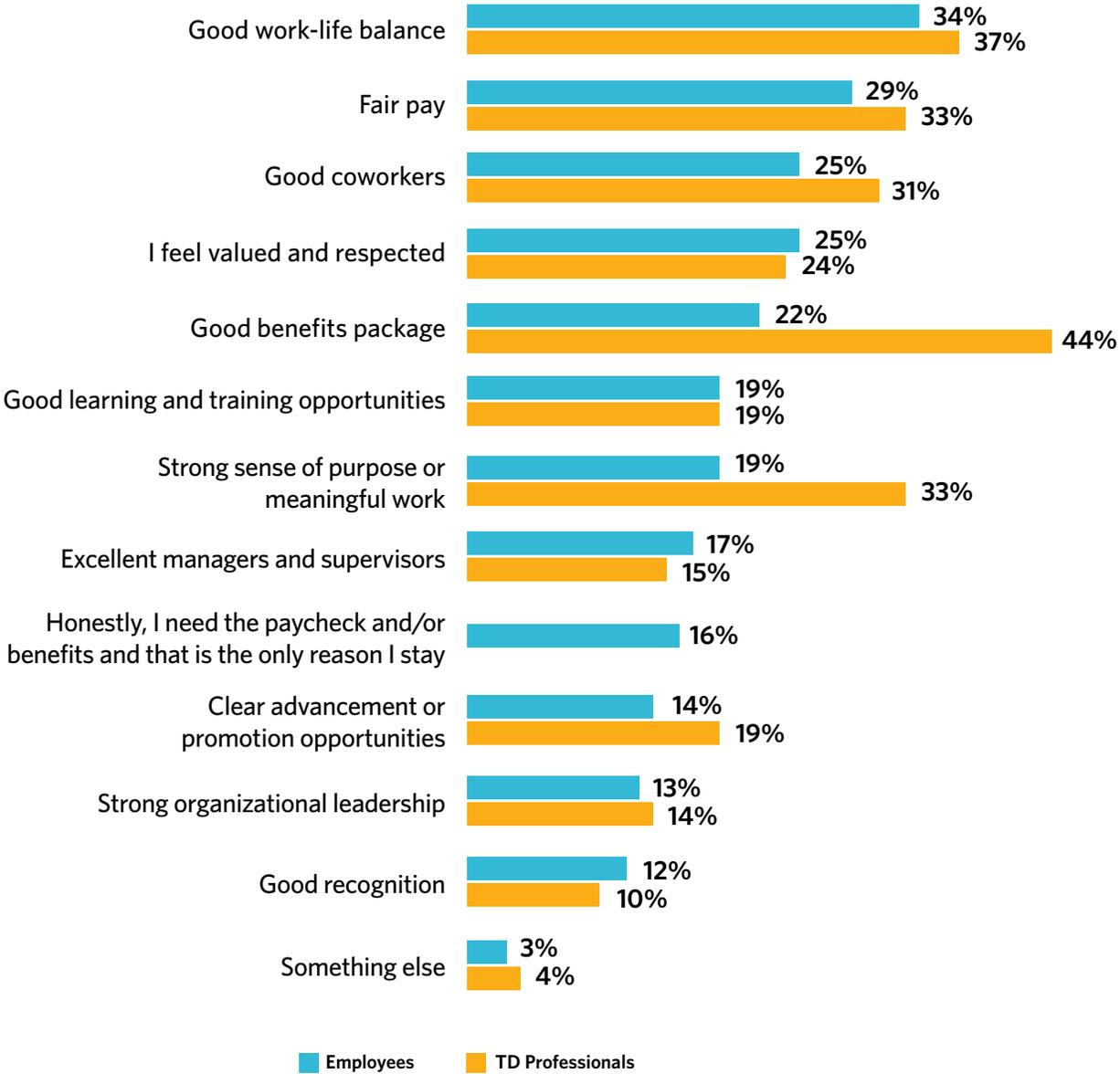
of organizations rank employee turnover as a high priority.

**Key Finding #2:** Learning and training opportunities emerge as a more subtle driver of employee retention, but distinguish satisfied employees; they are also sought-after benefits in the job hunt.

**Why do employees stay (and why do employers THINK employees stay)?**

The top reasons employees indicated they stay at their current organizations are good work-life balance, fair pay, good coworkers, feeling valued and respected, and a good benefits package. For the most part, employees and employers value these factors similarly. However, employers emphasize good benefits packages and a strong sense of purpose and meaningful work more than employees do.

## Why do employees stay at their current organization?



**44%**

of talent professionals rate a good benefits package as a reason to stay at their current organization, while only

**22%**

of employees rate a good benefits package as a reason to stay at their current organization.

## The Importance of Learning and Training Opportunities

Although not the primary reason employees stay, good learning and training opportunities still stand out as an important pull factor and are the most commonly cited element of an organization's employee retention strategies.

### It matters to employees:

- Nineteen percent of employees say that learning and training opportunities are a key reason they choose to stay at their current job. What's more, even among those actively looking for new roles, 1 in 5 (20 percent) say they have stayed with their current employer because of the good learning and training options available to them.
- Job satisfaction is also connected to how employees view their learning and training opportunities. Employees who love their jobs are much more likely to rate their current learning and training options as excellent or good (86 percent) compared to those who only like their jobs (68 percent) and those who dislike their jobs (32 percent).
- Almost one-third (31 percent) of employees say they want paid training and development opportunities when accepting a new job, making it the second most common perk after life insurance (50 percent). This preference adds to their core benefits like salary, medical insurance, and retirement plans, highlighting how much they appreciate investments in their growth.

**20%**

of employees say they have stayed with their current employer because of the good learning and training options.

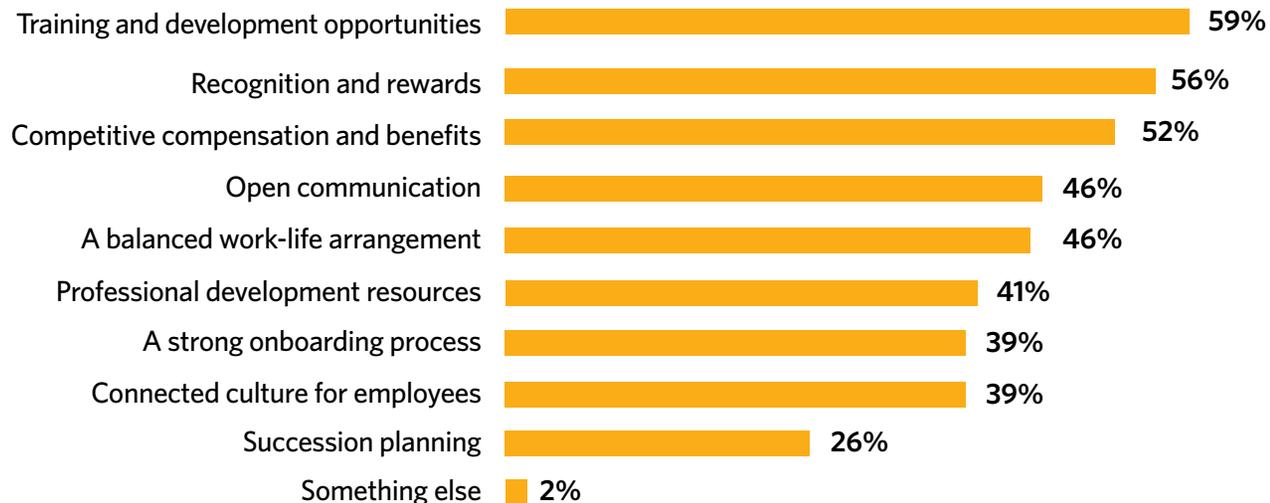
**31%**

of employees say they want paid training and development opportunities when accepting a new job.

### It matters to organizations:

- Training and development opportunities stand out as the top component of employers' retention strategies, with nearly 60 percent offering them. It's promising to see so many organizations emphasize the importance of training and development opportunities as a retention strategy. Employers who place importance on training and development opportunities will attract employees who place the same value on learning.

### Which of the following are part of your employee retention strategy?



**59%**

**of organizations use employ  
training and development  
as an employee  
retention strategy.**

## Key Finding #3: Employee and employer perceptions of career development and growth opportunities are misaligned when it comes to why employees choose to leave.

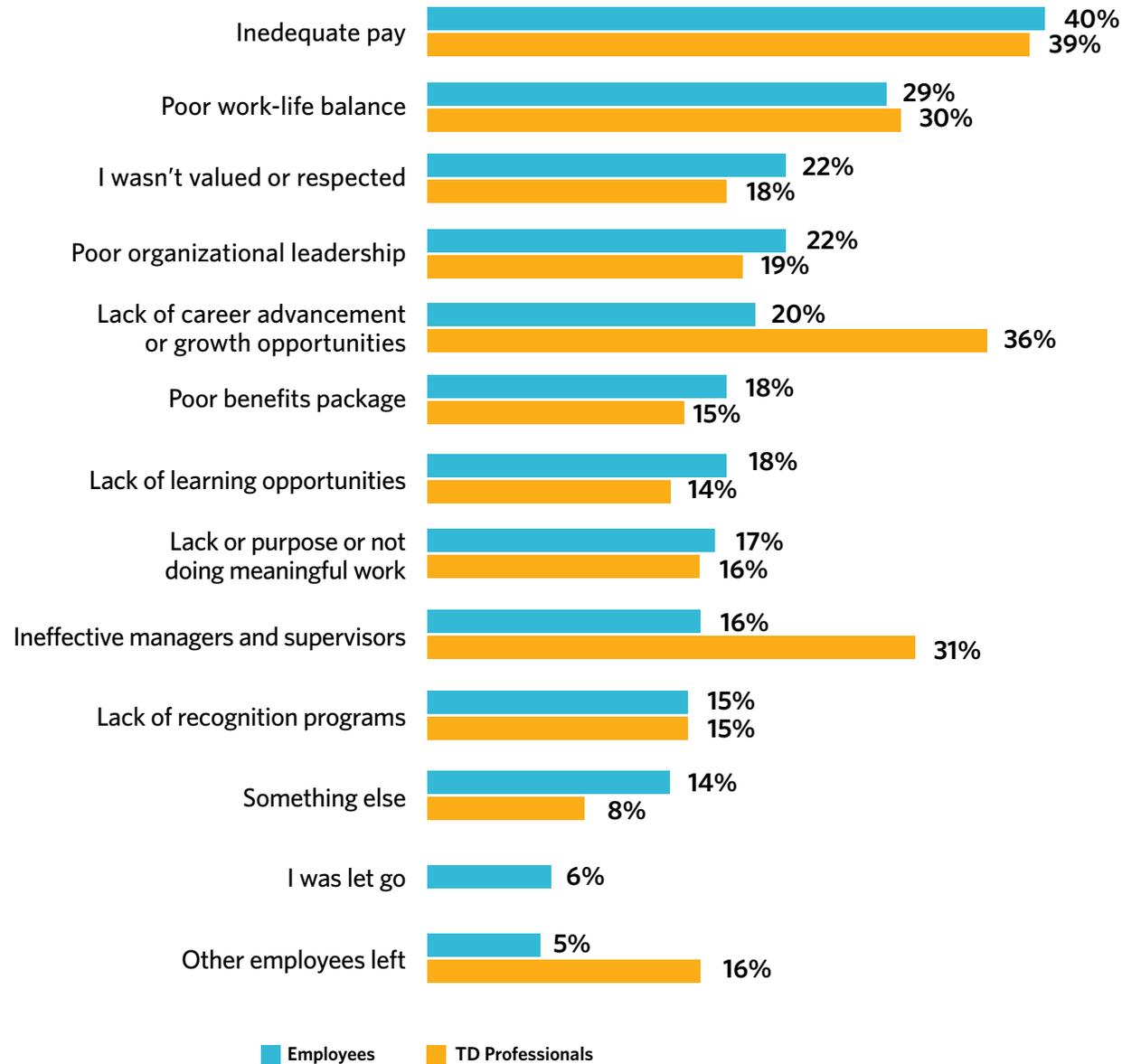
### Why Employees Leave Jobs

A comparison of employee and employer perspectives on why workers leave reveals alignment but also a few notable gaps. Employees' main reasons for leaving their previous job include inadequate pay, poor work-life balance, feeling undervalued or disrespected, and poor organizational leadership. Employers generally agree with these reasons, but list a lack of career advancement or growth opportunities as the second most common reason why employees leave (36 percent), just after inadequate pay, while employees ranked it fifth.

# 36%

of employees said a lack of career advancement or growth opportunities as a reason for leaving.

## Why do employees stay at their current organization?

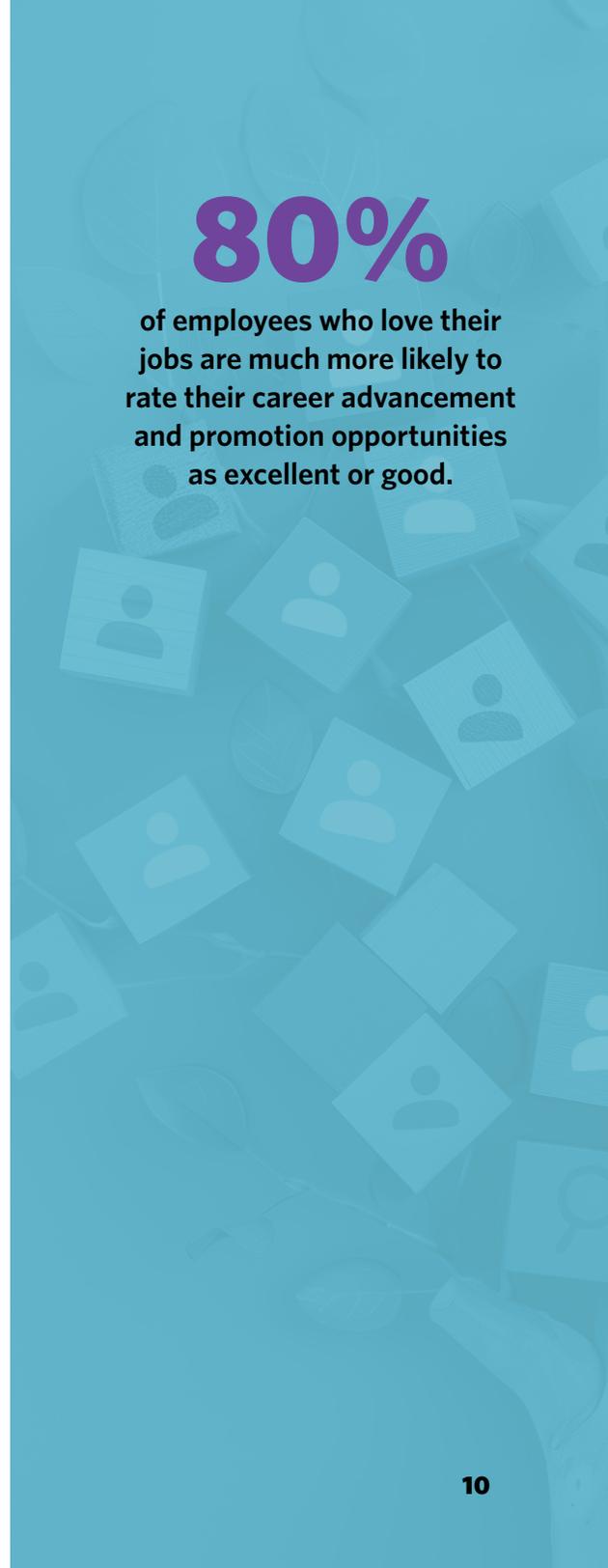


## Rating Job-Related Factors

Additionally, when employees were asked to rate a list of nine job-related factors at their current job, they most often rated career advancement opportunities as the lowest. Only 58 percent said their career advancement or promotion opportunities were “excellent” or “good.”

Access to clear career advancement and promotion opportunities can make a significant difference in how satisfied and engaged employees feel. For example, employees who aren’t currently looking for a new job have a more positive view of their career advancement opportunities—with nearly 70 percent rating these opportunities as excellent or good (68 percent). This decreases to about half of those actively searching for a new job (53 percent) and those who are keeping an eye out for opportunities (50 percent).

Employee perceptions of their career development opportunities also closely align with job satisfaction. Employees who love their jobs are much more likely to rate their career advancement and promotion opportunities as excellent or good (80 percent), compared to those who only like their jobs (53 percent) and those who dislike their jobs (15 percent).



**80%**

**of employees who love their jobs are much more likely to rate their career advancement and promotion opportunities as excellent or good.**

## Recommendations/Action Plan

In this report, ATD Research examines how talent development and training can impact employee retention from the perspectives of employees and employers. To help your organization retain top talent, ATD Research recommends the following steps.

- **Take initiative!** If you haven't already, consider creating an employee retention plan, especially if your organization is experiencing higher-than-usual turnover. Many employees are exploring new opportunities or thinking about the market, so it's important to address this now. Acting early can make a big difference!
- **Leverage training and development offerings strategically.** While training and development opportunities are critical for employee retention, research shows they may not always compensate for unmet core needs like work-life balance and fair pay (although training and development do serve purposes beyond retention). Rethink how this information best suits your retention strategy, and position these opportunities accordingly.
- **Communicate benefits clearly and often.** Showcase benefits, perks, and other opportunities during onboarding and frequently throughout the employee lifecycle to strengthen retention.

Finally, whether you are new to talent development or experienced, all TD professionals should continue to learn and find resources that allow them to keep their skills current and improve their TD function's approach to retaining employees.

**TD professionals should continue to learn and find resources that allow them to keep their skills current and improve their TD function's approach to retaining employees.**

# Demographics

Industry	TD Professionals	Employees Current Org	Employees Previous Org
Accommodation and Food Service	4%	6%	9%
Administrative/Support, Waste Management and Remediation Services	1%	1%	1%
Agriculture, Forestry, Fishing, and Hunting	1%	1%	2%
Arts, Entertainment, and Recreation	1%	2%	1%
Construction	7%	8%	8%
Educational Services	8%	10%	7%
Finance and Insurance	6%	5%	6%
Healthcare and Social Assistance	17%	12%	14%
Information	3%	11%	9%
Management of Companies and Enterprises	2%	1%	2%
Manufacturing	13%	7%	7%
Mining, Quarrying, and Oil/Gas Extraction	<1%	<1%	1%
Professional, Scientific, and Technical Services	7%	4%	3%
Public Administration	3%	1%	1%
Real Estate and Rental/Leasing	1%	1%	1%
Retail Trade	7%	11%	10%
Transportation and Warehousing	3%	3%	3%
Utilities	2%	1%	1%
Wholesale Trade	1%	2%	1%
Other Services	11%	16%	14%

Organization Size	TD Professionals	Employees Current Org	Employees Previous Org
1 to 4 employees	<1%	6%	6%
5 to 99 employees	16%	31%	40%
100 to 2,499 employees	52%	40%	37%
2,500 to 9,999 employees	16%	12%	11%
10,000 or more employees	15%	11%	7%

Headquarters	TD Professionals	Employees Current Org
Africa/Middle East	1%	1%
Asia-Pacific	1%	1%
Canada	1%	<1%
Europe/UK/Ireland	2%	1%
Latin/South America	<1%	1%
Mexico	<1%	<1%
USA	96%	96%
Other	<1%	<1%

Span of Control	TD Professionals	Employees Current Org	Employees Previous Org
Executive	9%	13%	10%
Director	35%	10%	8%
People manager	25%	15%	17%
Project lead	18%	14%	12%
Individual contributor	12%	31%	37%
Other	1%	17%	17%

<b>Duration: How long have you worked at your current job? How long did you work at your previous job?</b>	<b>Employees Current Org</b>	<b>Employees Previous Org</b>
Less than a year	11%	16%
1-3 years	30%	44%
4-6 years	24%	21%
7-9 years	12%	8%
10 or more years	23%	11%

