Companies are facing rising employee retention challenges that can be addressed in part with music.

Music has been shown to reduce occupational stress — a key component of employee turnover.

A crucial factor in retaining employees is the creation of a welcoming environment — and music is a key component of that effort.

The benefits of music are achieved with all age groups.
A growing concern
Employee turnover has long been a challenge for all sectors. But the problem is growing: more than one in four U.S employees leave their jobs in any given year to work for another company. That’s roughly 42 million people[1]. Making matters worse, turnover has been escalating over the past decade.

31% of U.S. workers have left a company within their first six months, and 51% say they are either actively looking for a new position or keeping an eye on new job openings. (And according to some studies, that number is as high as 71%.) So it’s not surprising that a recent Kronos survey[2] reported that 87% of HR leaders say improving employee retention is a critical priority over the next five years.
The high cost of employee turnover
Among the impacts is the effect on productivity. According to an Allied Workforce Mobility Survey[^3], roughly 30% of companies said that it can take over a year for a new employee to reach the productivity level of a departing one. High turnover means operating your business with an unreasonably high number of inexperienced employees, leading to lower productivity. It’s also a warning sign of low morale among a workforce[^4] — which is a key indicator of overall productivity.

Beyond this loss in productivity, high employee turnover has direct hard costs for a business. The estimated costs of replacing an employee can range anywhere from 20% all the way to 200% of that worker’s salary, depending on experience and skills. The costs of filling an open role add up quickly, since it takes valuable staff time to review resumes, arrange interviews, and zero in on the right fit for your company. Those costs only compound when you consider that on average, it takes 43 days to fill an open position[^1].
Impact on customers
For the most part, businesses build their reputations — and their client lists — on relationships. And those relationships take time to build.

A survey by SDL, a customer engagement company[^6], found that it can take two years on average for customers to trust in a brand. Worse yet, it takes more than twice that amount of time to hit the “revenue tipping point” — the point at which customers actually spend more money on your brand than competing brands. It takes five years to get there.

When employees with existing client relationships leave, they take those relationships with them. That means those relationships have to be rebuilt almost entirely from the ground up — a costly proposition on many fronts.

CHALLENGES OF RECRUITING AND REHIRING

High employee turnover can have a significant impact on your workplace culture as a whole. It not only affects the productivity level of the position in question, it affects the morale and work ethic of your entire team. If employees perceive that there’s a revolving door in your company, it becomes more difficult to build a strong company culture — which is a crucial component of employee retention[^5].
Factors that lead to employee attrition
While there’s no single answer, there are some factors in employee attrition that span virtually all sectors — chief among these being occupational stress. According to the World Health Organization (WHO),[7] occupational stress is “the response people may have when presented with work demands and pressures that are not matched to their knowledge and abilities and which challenge their ability to cope.”

It’s also been documented that exposure to stress, especially prolonged stress, can be associated with poor health, unhealthy habits, absenteeism, reduced efficiency, and even death[8].
Using music as an incentive
Improving employee satisfaction is obviously a multi-faceted undertaking\textsuperscript{(10)}. But any list of retention techniques will include creating a more engaging, comfortable environment.

**One way to do this is through the proper use of music.**

The music in your location provides a persistent soundtrack to your employees’ day, and one that they will come to love or loathe, over time. A well-crafted playlist can help a team stay motivated and upbeat, while a bland or repetitive mix can dampen their spirits.
Examples from other industries

TRI Pointe Home Builders is one of the nation’s largest home builders, creating homes and neighborhoods for customers at all price points and life stages.

With locations spread across much of the country, they wanted a unified strategy that would allow for playing music in both model homes and offices — not just to appeal to home buyers, but to create an inviting environment for both employees and real estate agents. However, recognizing that musical tastes can vary by region, they didn’t want to simply dictate the same music in all locations. Instead, they allowed each region to customize their own playlists.

They found their answer with Custom Channels. By enabling each region to customize their playlists to cater to the demographics in their region, Custom Channels created a centrally-managed solution that kept TRI Pointe’s communities — and workforce — happy.

Wag N’ Wash is a leading supplier of pet grooming services, as well as natural food, high quality supplements, and toys. With franchise locations from Washington State to New York, they understand the challenges of maintaining a consistent, welcoming brand environment — a factor that’s just as important for employees as it is for customers.

Understanding the role music plays in creating the proper environment, Wag N’ Wash turned to Custom Channels for a solution that works. The result was an engaging, upbeat experience that has pleased both staff and customers alike.

“Not only does Custom Channels ‘get’ the franchise space, their support is one of the best I have experienced in close to two decades.”

Rob Flanagan, President, Wag N’ Wash
Music = health benefits
Listening to music also has a multitude of health benefits,[13] including:

- Reduced stress and anxiety
- Decreased pain
- Improved immune function
- Aided memory
- Increased motivation

No one-size-fits-all answers
While there are obviously several factors that contribute to costly employee attrition, some are more easily remedied than others. A focus on creating a welcoming, comforting environment should be among the first items on the list. And the proper use of music is a crucial component of those efforts.

MUSIC+PRODUCTIVITY
Studies showcase the productivity benefits of music[12]:

- 90% Of workers perform better when listening to music.
- 88% Of employees produce more accurate work when listening to music.
- 65% Of business owners agree that music makes employees more productive.
- 77% Of small- and medium-sized business owners believe that playing music increases employee morale.
We are a leading digital music service designed for music-conscious brands. We provide licensed, on-premise music that allows businesses to substantially improve their customers’ overall experience and engagement. With carefully curated online streaming channels that are customized to the unique needs of each business, Custom Channels creates a personalized in-store experience like no other.

- Fully licensed, high quality music selections
- Hand-picked by a team of passionate music lovers who understand your business
- Playlists designed to connect with your customers and employees
- Music that perfectly embodies your brand
- Seamless onboarding
- Outstanding, personalized support

If you’re ready to see how the perfect music mix can help improve the in-branch experience for both your employees and your customers, call us at 303-444-7700 or visit CustomChannels.net today.
Sources