

SL1 - Employee Retention, Turnover and Morale

SL Worksheet | Topic focus: retention, staff stability and disengagement

Time	45 minutes	Total marks	32
Question types	Multiple choice, short answer, data response and extended response	Teacher support	Full answer key and marking guidance included at the end

Answer all questions. Use the case material where relevant. Full marking guidance begins after the questions.

Section A - Multiple choice

- Which statement best describes labour turnover? (1 marks)
 - The percentage of employees promoted during a year.
 - The percentage of employees leaving an organization during a period.
 - The percentage increase in labour productivity.
 - The proportion of applicants who accept a job offer.
- A likely consequence of very high labour turnover in a service business is: (1 marks)
 - More consistent customer experiences.
 - Lower induction costs.
 - Disruption to teamwork and service quality.
 - Automatic gains in employee motivation.
- Which action is most likely to improve employee retention? (1 marks)
 - Removing all training budgets.
 - Providing clear career paths and supportive supervision.
 - Reducing communication with staff.
 - Hiring only temporary workers.
- A moderate level of labour turnover may sometimes be beneficial because it can: (1 marks)
 - remove all recruitment costs.
 - bring fresh ideas and new expertise.
 - guarantee lower wages.
 - eliminate the need for training.

Section B - Short answer

- Define employee retention. (2 marks)
- Explain two costs to a business of high labour turnover. (3 marks)
- Distinguish between a motivated employee and a disengaged employee. (3 marks)

Section C - Data response / case study

Case: Harbor Bean Cafes

Harbor Bean runs four city-center cafes. During the past year the company has expanded opening hours, but store managers say that experienced baristas are leaving faster than before.

Exit interviews mention limited progression, unpredictable shift patterns and little time for coaching new recruits. Senior management is considering higher hourly pay, better training and clearer promotion routes.

Indicator	Last year	This year
Average number of employees	88	92
Employees leaving	12	24
Average induction hours per new hire	8	3
Monthly customer complaints	17	36
Internal promotions	6	2

8. Use the case data to answer the following questions.

- Identify two signs that employee retention has weakened at Harbor Bean. (2 marks)
- Explain how high labour turnover could affect customer experience at Harbor Bean. (4 marks)
- Recommend one action Harbor Bean should take first to improve retention. Justify your answer. (4 marks)

Section D - Extended response

9. Evaluate the view that managers should prioritize employee retention even if this increases short-term labour costs. (10 marks)

Consider both the short-term cost of retention strategies and the longer-term impact on service quality, productivity and reputation.

Teacher answer key and marking guidance

General note: Accept other valid answers if they are accurate and well applied.

Section A answers

Q	Answer	Guidance
1	B	Labour turnover measures employees leaving as a percentage of the average workforce.
2	C	Frequent departures increase disruption, training needs and inconsistency.
3	B	Career progression and support address common causes of disengagement.
4	B	Some movement can introduce new skills, provided turnover is not excessive.

Section B marking guidance

Q5: Retention is an organization's ability to keep employees over time. A strong answer includes the idea of reducing avoidable departures and maintaining workforce stability.

Q6: Award up to 3 marks for explaining costs such as repeated recruitment spending, induction and training costs, lost experience, weaker teamwork, lower productivity, or poorer customer service. One mark for each valid cost and one additional mark for developed explanation.

Q7: A motivated employee shows commitment, effort, initiative and willingness to improve performance. A disengaged employee shows low enthusiasm, weaker effort, possible absenteeism, more errors or poor service. Award up to 3 marks for a clear contrast.

Section C marking guidance

Q8: Students should use the case evidence rather than give generic advice. Strong answers connect turnover with service quality, training quality and promotion opportunities.

Q8a: Possible answers include the increase in leavers from 12 to 24, fewer internal promotions, lower induction hours and more customer complaints. Award 1 mark per valid sign.

Q8b: Award up to 4 marks for explaining that frequent departures reduce experience on shift, make training rushed, create inconsistency in product quality and slow service, which can increase complaints and damage loyalty.

Q8c: Accept justified recommendations such as clearer promotion routes, more stable scheduling, improved induction or slightly higher pay. Top responses link the chosen action to reasons shown in the case and explain why it should improve morale and service quality.

Section D indicative content

Q9: Indicative content: advantages of prioritizing retention include lower recruitment costs over time, stronger teamwork, better customer service, more internal promotion and better morale. Counterarguments include immediate cost pressure, the risk of overpaying without solving poor supervision, and the fact that some turnover can bring new ideas. Strong answers reach a justified conclusion on when higher retention spending is worthwhile.

Suggested 10-mark levels of response

0: No relevant knowledge or unsupported assertions.

1-3: Limited understanding. Few accurate points and little application.

4-6: Reasonable understanding with some analysis and partial application to the case.

7-8: Good application and analysis with a supported line of argument.

9-10: Well-developed, balanced evaluation with clear judgement and strong use of case evidence.