

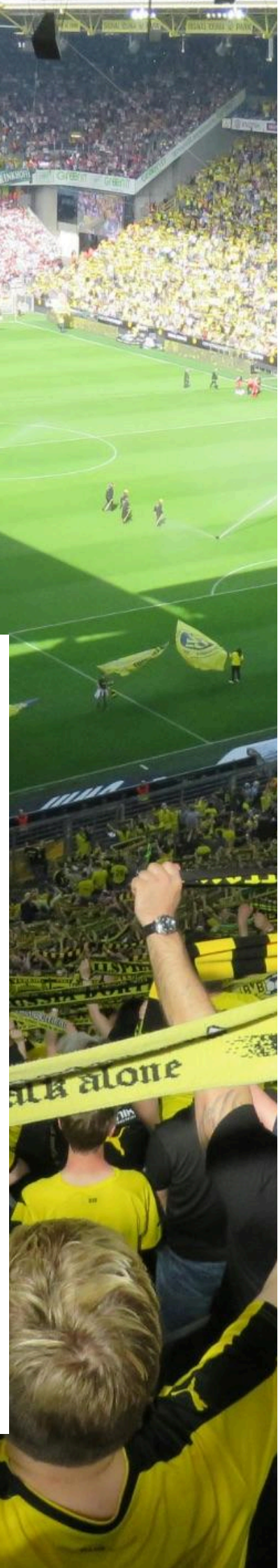


THE PILLARS WHITEPAPER SERIES

Growth is the Retention Strategy

What the world's best talent development model can teach organisations about keeping their best people.

April 2026 | thepillars.io



Executive summary

Most organisations think about retention as a problem to solve after engagement falls, after a resignation lands on the desk, after the exit interview reveals something that could have been addressed eighteen months earlier. The interventions that follow are counter-offers, title changes, one-off development programs. They treat the symptom. They do not address what actually drove the decision.

The evidence is consistent and has been for years: people leave because they stop growing. Not primarily because of salary, not because of workload, and not because of a better title somewhere else. They leave because the organisation they are in stopped giving them a reason to stay that went beyond a pay cheque.

This paper argues that development, done with genuine structure and intent, is not a benefit that sits alongside a retention strategy. It is the retention strategy. The organisations that understand this are not simply keeping good people longer. They are attracting better people in the first place.

The case is made partly through research and partly through one of the most instructive talent development models in the world. Not from a business school or a consulting firm, but from a football club in the industrial city of Dortmund, Germany. Borussia Dortmund cannot compete financially with the giants of European football. They win on development. And the best young talent in the world keeps choosing them anyway.

01. The Engagement Crisis Nobody Is Managing

Global employee engagement fell to 21% in 2024, according to Gallup's State of the Global Workplace report. That figure, covering data from more than 160 countries, represents the second decline in twelve years. The cost in lost productivity: \$438 billion annually.

More telling than the headline number is where the decline is concentrated. Manager engagement fell faster than any other category, and that matters because 70% of the variance in team engagement can be attributed directly to the manager. When managers disengage, their teams follow. The cascade is not slow.

In the United States, where engagement is typically higher than the global average, only 31% of employees were engaged at the end of 2024, a ten-year low. Among the specific drivers that fell most sharply: only 30% of employees believe someone at work encourages their development, down from 36% in 2020. That six-point drop is not a rounding error. It represents millions of people who no longer believe their employer is invested in them.



The connection between development and retention is not theoretical. Gallup's research shows that replacing a senior leader costs up to 200% of their annual salary. That figure excludes the institutional knowledge, client relationships, and team capability that leave with them. It excludes the months before a replacement reaches full effectiveness. It excludes the signal sent to the people who remain when someone capable decides there is nothing left to stay for.

Organisations have become skilled at measuring attrition. Most are not measuring the conditions that precede it.

- 21% of employees globally were engaged in 2024, the second decline in twelve years. Gallup, State of the Global Workplace 2025.
- \$438 billion in lost productivity attributable to disengagement in 2024. Gallup, State of the Global Workplace 2025.
- 200% of annual salary: the cost of replacing a senior leader. Gallup, 2024.

02. Why Development Is the Answer

The standard HR response to retention risk is to look at compensation. Salary benchmarking. Equity packages. Flexible benefits. These matter, but they are table stakes, not differentiators. In a market where most organisations have access to the same benchmarking data, compensation is increasingly unlikely to be the thing that tips the decision.

What tips the decision is meaning. The sense that the organisation genuinely sees a person, is invested in where they are going, and is giving them the conditions to get there. That is not a soft observation. It maps directly to the most robust body of research in human motivation.

Self-Determination Theory, developed by Deci and Ryan over decades of peer-reviewed research, identifies three conditions under which intrinsic motivation consistently emerges: autonomy, competence, and relatedness. When people feel they are growing in their capability, doing work that connects to something meaningful, and supported by people who are genuinely invested in them, they perform differently. They also stay.

The implication for organisations is direct. A development program that addresses only skills will produce incremental results. A development approach that addresses identity changes the conditions under which that person shows up every day. That change is harder to replicate and much harder to be poached away from.

Deloitte's 2024 Global Human Capital Trends research found that 73% of business leaders believe it is important to ensure human capabilities keep pace with organisational change. Only 9% say they are making meaningful progress toward that. The gap between knowing and doing is where the attrition lives.

When people feel they are growing in their capability, doing work that connects to something meaningful, and supported by people who are genuinely invested in them, they perform differently. They also stay.

03. The Dortmund Model

In May 2024, Borussia Dortmund reached the UEFA Champions League final. They did it with a squad valued at €464 million, less than half the €1.02 billion market value of their opponents Paris Saint-Germain. In the same Champions League cycle, Real Madrid recorded net transfer spending of negative €305 million. Bayern Munich recorded a negative €440 million. Dortmund recorded a positive net gain of €130 million.

They did this by developing people better than almost anyone else on earth.

Since 2012, BVB have sold players for more than one billion euros in total. The names are familiar: Ousmane Dembele to Barcelona for €135 million, bought from Stade Rennais for €35 million. Jadon Sancho to Manchester United for €85 million, recruited as a teenager from Manchester City's academy. Jude Bellingham to Real Madrid for €103 million, bought from Birmingham City for approximately €25 million. Erling Haaland to Manchester City for €60 million, signed from Red Bull Salzburg for €20 million.

Each of these players was not simply bought and sold. They were developed. Deliberately, structurally, and with a clear understanding of what each person needed to become the best version of themselves. Dortmund's academy philosophy, as stated on the club's own platform, is built on a conviction that "strong characters with outstanding individual skills are necessary to achieve success together." The development of personality is placed alongside the development of technical skill as an explicit objective.

The more instructive part of the story is not the sales. It is who chooses to join in the first place.

When Jude Bellingham was seventeen years old, Real Madrid wanted him. Barcelona wanted him. Clubs with significantly more money, more trophies, and more global profile than Borussia Dortmund were all in the conversation. He chose Dortmund. His family, his advisors, and ultimately he himself concluded that Dortmund was where a teenager of his ability would develop fastest and be given the platform to become what he was capable of becoming.

Dortmund cannot pay what Real Madrid can pay. They compete on development. And the best talent in the world keeps choosing them.

The same logic applied to Haaland, who had interest from Manchester United, Real Madrid, and others before joining BVB. The same logic applied to Sancho, who left Manchester City's academy for a club in a different country with a different language because the development environment was better. Agents across European football understand this. As one Sky Sports analyst noted at the time: "If you've got a really good young player, you've seen young players going to the Bundesliga because it's a great stage. You are going to get to play in one of the best leagues in the world, you're in the shop window, you can develop playing first-team football and you increase your value."

That is precisely the calculation that top performers in any industry make when they choose an employer. They are not just evaluating what they will be paid. They are evaluating where they will grow. Who they will become. What the next door the organisation opens will look like.

Dortmund cannot pay what Real Madrid can pay. They compete on development. And the best talent in the world keeps choosing them.

04. The Conditions That Make Development Work

The Dortmund model is not accidental. It is built on specific conditions that organisations in any industry can learn from.

Structural commitment

Development at BVB is not a program that exists alongside the sporting operation. It is the sporting operation. The academy is integrated into the first team, with a deliberate pathway from youth through to professional football that every player and coach understands. Development is not something that happens when there is time. It is what the institution is for.

Most organisations talk about development as a priority. Far fewer have built it into the structure of how work actually happens. The McKinsey Research and Innovation Learning Lab, reviewing more than 45 global learning trend reports, found that the most forward-looking organisations are embedding learning into work itself rather than treating it as a separate, scheduled activity. Development is not a destination. It is a thread woven through everyday experience.

The whole-person frame

BVB's academy explicitly develops "personalities," not just technical footballers. The weekly schedule for academy players includes football, but also academic study, household responsibilities, active leisure, and social development. The club's stated philosophy holds that a person who is stable, grounded, and self-aware will perform differently than one who is technically skilled but personally adrift.

They are right. The research on psychological safety, pioneered by Professor Amy Edmondson at Harvard Business School, demonstrates consistently that people who feel seen, supported, and connected to something larger than their immediate role are more creative, more resilient, and more committed. That is true in elite football. It is equally true in financial services, professional services, and technology.

The relationship at the centre

At Dortmund, development does not happen in programs or workshops. It happens in relationships. Continuity of coaching, consistent attention from someone invested in a specific person's growth, and the kind of honest conversation that only exists when trust has been built over time. Jude Bellingham did not develop into a €103 million player through a talent management process. He developed through relationships with coaches who understood who he was and what he needed to become.

What Organisations Get Wrong

The most common failure in talent development is confusing activity with investment.

A workshop is activity. An online learning platform is activity. A mentoring program that pairs people randomly and asks them to meet quarterly is activity. These things have value at the margins. They do not change the conditions under which someone decides to stay or go.

Genuine investment in development is sustained, personal, and structurally accountable. It happens over months, not days. It is built around the specific individual, not a generic framework. And it produces outcomes that can be measured, not through satisfaction surveys, but through longitudinal data that tracks real change over real time.

When people are growing, they are engaged. When they are engaged, they perform. When they perform and feel genuinely supported, they stay. And when they stay, they tell others.

The organisations that have cracked this are not necessarily the ones with the largest learning and development budgets. They are the ones that have understood the mechanism. When people are growing, they are engaged. When they are engaged, they perform. When they perform and feel genuinely supported, they stay. And when they stay, they tell others.

The development reputation becomes the talent attraction strategy. Dortmund does not need to outbid Real Madrid for the best teenagers in the world. Their reputation does the work. That same dynamic operates in every industry where talent is a competitive advantage, which is to say every industry worth being in.

05. A Different Kind of Readiness

The organisations that will come through the next decade with strong, capable, and committed leadership teams are not necessarily the ones investing most in technology, process, or compensation. They are the ones investing most deliberately in the people making the decisions.

That investment has to go deeper than skills. The leaders who will perform when the pressure is highest are not the ones with the most technical capability. They are the ones who understand who they are, what they value, and what they are building toward. Leaders with that foundation make better decisions, hold their teams together under pressure, and model the kind of groundedness that creates the psychological safety for everyone around them to perform.

The Pillars Program is built on this understanding. Working across five life domains, not just work, the program gives leaders a structured, seven-month journey with a dedicated guide, longitudinal diagnostic data, and a personalised framework for sustained development. It is not a workshop. It is not a coaching subscription. It is a deliberate investment in the whole person, because that is what produces the outcomes that matter: better decisions, stronger teams, and people who stay because they are genuinely going somewhere.

Development built on that foundation does not just reduce the cost of attrition. It changes the conversation. The organisation becomes a place that people choose, not just a place they work.

That is what Borussia Dortmund built. It is available to every organisation willing to take development seriously enough to do it properly.

06. About The Pillars

The Pillars is a structured, data-led program that builds the internal operating architecture leaders need to perform at their best under sustained pressure, complexity, and accelerated change. Over seven months, we work with leadership teams to identify what is driving performance, remove what is limiting it, and develop the capacity to lead more effectively and deliver measurable commercial results - consistently.

The program is grounded in self-determination theory, goal-setting research, and value alignment studies, and overseen by Dr Chris Meier, PhD in Behavioural Economics. Every cohort is assessed at baseline, three months, and six months, tracking the leading indicators of performance with objective data, not opinion.

To explore whether The Pillars is the right fit for your leadership team: thepillars.io

To learn more about The Pillars Program for your organisation, visit thepillars.io

The Pillars Program. Built for people. Proven for business.

References

1. Gallup. State of the Global Workplace: 2025 Report. Gallup Press, 2025.
2. Gallup. "US Employee Engagement Falls to 10-Year Low." HR Dive, January 2025.
3. Deci, E. L., and Ryan, R. M. Self-Determination and Intrinsic Motivation in Human Behavior. Plenum Press, 1985. Ongoing peer-reviewed research, University of Rochester.
4. Edmondson, A. C. "Psychological Safety and Learning Behavior in Work Teams." Administrative Science Quarterly, 44(2), 1999.
5. Deloitte. Global Human Capital Trends 2024. Deloitte Insights, 2024.
6. McKinsey Research and Innovation Learning Lab. "Reimagined: Development in the Future of Work." McKinsey and Company, 2024.
7. Transfermarkt. "130.09m Profit Since 2012/13: The Borussia Dortmund Model." Transfermarkt.us, May 2024.
8. ESPN. "Is Dortmund's Talent-Factory Model Succeeding, Sustainable?" ESPN.com, June 2025.
9. Sky Sports. "Inside Borussia Dortmund's Academy: From the Footbonaut to Virtual Reality." Sky Sports, April 2023.
10. Borussia Dortmund. "Concept and Philosophy: BVB Youth Academy." bvb.de, 2024.