



TALENT RETENTION REPORT

2020

2nd Annual Edition

Table of Contents

Introduction: The State of Talent Retention in 2020	3
Talent Retention Report 2020: Survey Results	4
Employment and Turnover Rates	4
Job Satisfaction	7
Reasons for Staying	8
Reasons for Leaving	10
Career Changers: An Emerging Retention & Recruitment Trend	13
Talent Retention Takeaways	16
Conclusion	17

Introduction: The State of Talent Retention in 2020

A lot can change in one year. When we issued our 2019 Talent Retention Report, the U.S. unemployment rate sat at 3.5%, 7 million positions were unfilled, and employees enjoyed utmost flexibility in choosing where they worked.

But for employers, the candidate-driven labor market made retaining top talent almost as difficult as recruiting top talent. Job-hopping, once a resume red flag, was becoming a norm, as the proliferation of job openings led professionals to explore greener pastures. In fact, our 2019 Talent Retention Survey indicated that 51.7% of employees had left a job voluntarily within the past five years.

Today, we face a dramatically different employment situation due to the COVID-19 crisis. Although the war for talent has taken a backseat to the fight for business survival these past several months, companies are slowly but surely hiring. This means employers must once again consider how to keep employees satisfied with their work during these uncertain times.

To add fuel to the fire, another trend impacting employee retention is emerging: workers, especially those in industries most impacted by COVID-19 (hospitality, culinary, and travel, to name a few), are increasingly considering career changes.

Without question, it is a unique time for the workforce and the job market at large. Therefore, our 2nd Annual Talent Retention Report reflects trends specific to employment amidst COVID, including career changes and remote work.

A total of **2,871 members** of our job seeker database responded to our survey in September 2020. This eBook details our survey findings and shares advice for retaining employees in the coming months.

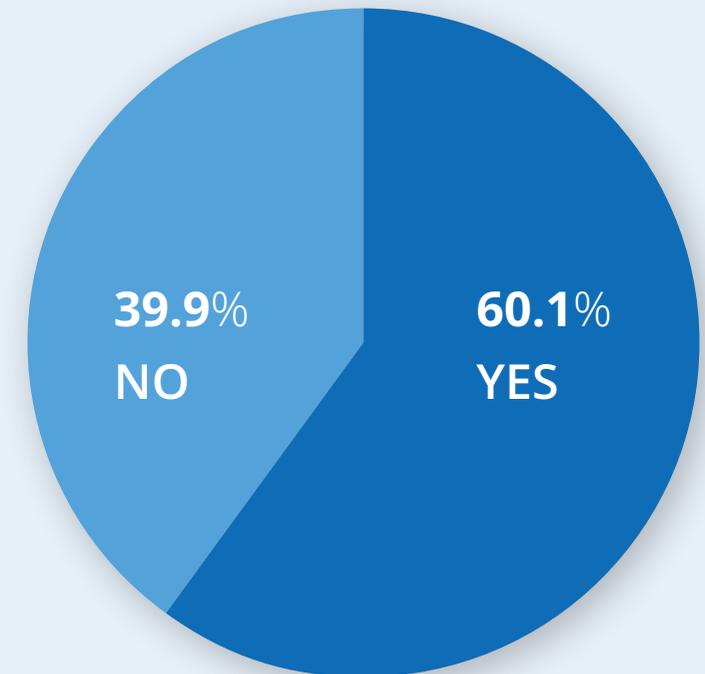
Talent Retention Report 2020: Survey Results

EMPLOYMENT AND TURNOVER RATES

To kick off our survey, we asked respondents whether they were employed. Nearly 40% of participants were unemployed – up 8.2% from 2019’s survey. This was expected due to COVID-19 layoffs across industries.

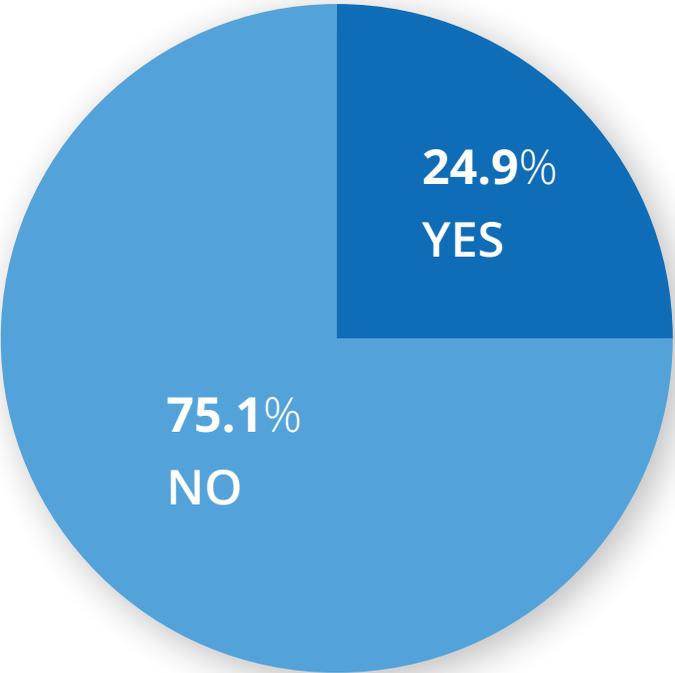


ARE YOU CURRENTLY EMPLOYED?



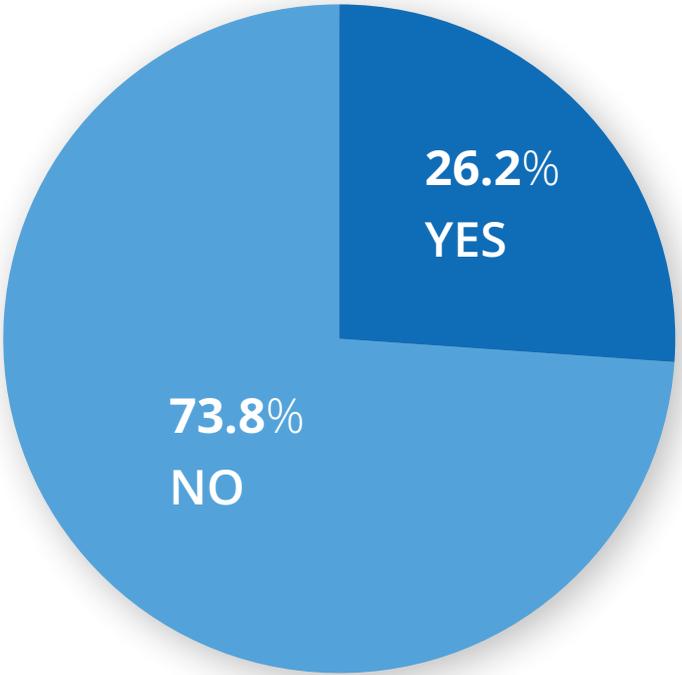
Next, we asked respondents if they had left a job voluntarily in the past year. Voluntary turnover occurs when employees quit or resign on their own volition for any number of reasons (a new job, retirement, family or medical leave, etc.). Nearly a quarter of participants said they had left a job voluntarily in the past year.

**HAVE YOU LEFT A JOB VOLUNTARILY
IN THE PAST YEAR?**



On the flip side, 26.2% said they had left a job involuntarily in the past year due to layoffs or terminations. While the difference was small (1.3%), more employees left their jobs involuntarily than voluntarily since September 2019 – another likely effect of COVID-19.

HAVE YOU LEFT A JOB INVOLUNTARILY IN THE PAST YEAR?



HOW TO CALCULATE STAFF TURNOVER

Your annual turnover rate is an essential metric for gauging employee satisfaction and determining your employer brand’s strength. Experts agree that 10% is a healthy turnover rate, generally speaking. Keep this formula handy to calculate your annual turnover rate and set benchmarks every year:

$$\frac{A}{(B + C) / 2} \times 100 = \text{Annual Turnover Rate}$$

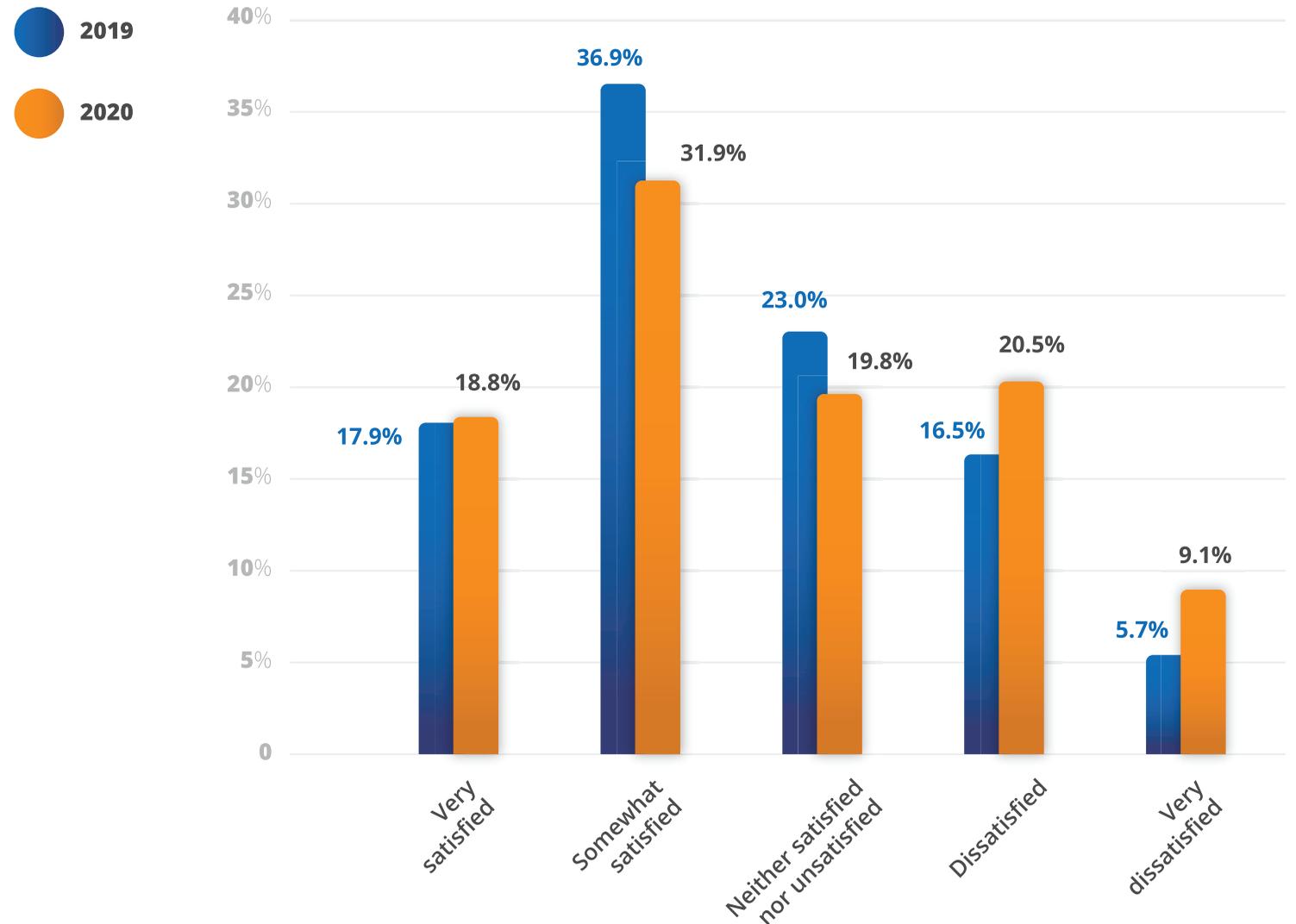
- A = # of employees who left over the course of a year
- B = # of employees at beginning of year
- C = # of employees at end of year

Job Satisfaction

It goes without saying that employees who are satisfied with their jobs are more likely to stay with their employers longer. According to our survey, 18.8% of employees are “very satisfied” with their current or most recent employer, while 31.9% are “somewhat satisfied.”

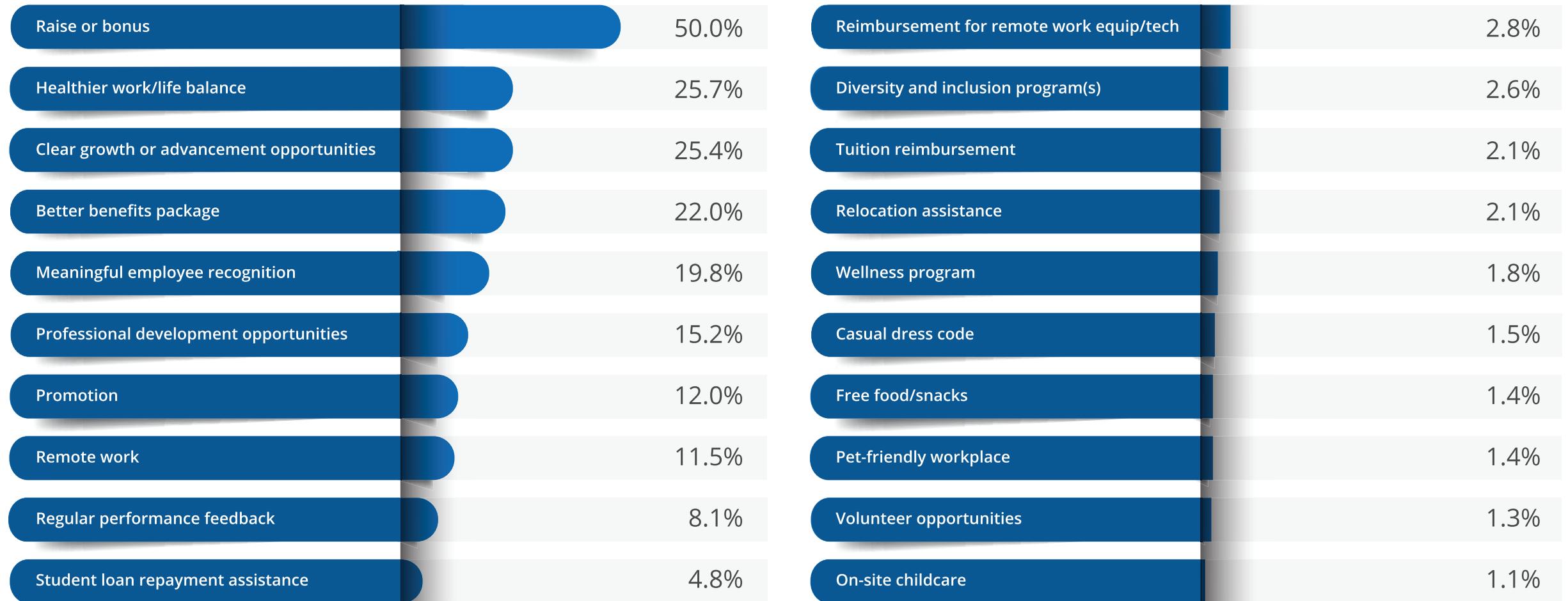
Further, 29.6% said they were “dissatisfied” or “very dissatisfied” with their jobs, up 7.4% from 2019’s survey. The uptick in job dissatisfaction may be another consequence of COVID-19 and the stress workers are experiencing while navigating an unfamiliar employment landscape.

JOB SATISFACTION IN 2020 VS. 2019



REASONS FOR STAYING

As in 2019, we asked survey participants to imagine that they are considering accepting a new job. What could their current or most recent employer offer (or have offered) to keep them aboard?*



*Respondents could select up to three answers, so percentages add up to a sum greater than 100%.

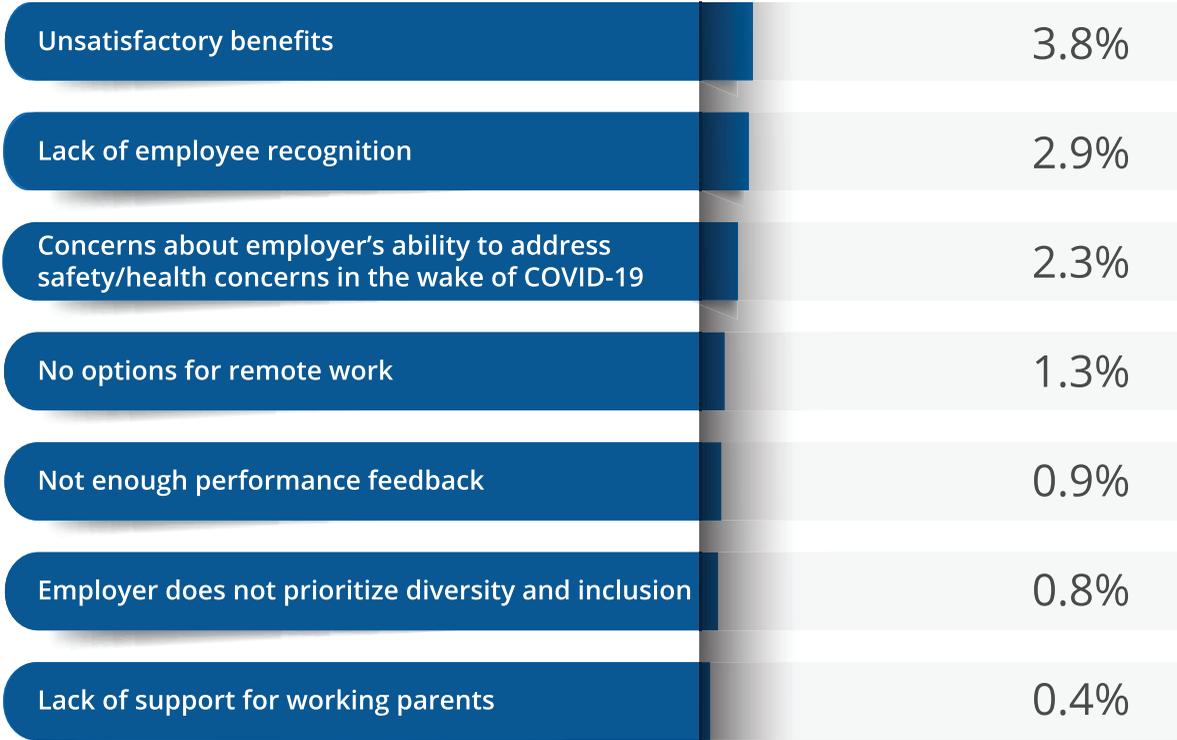
Although we swapped in several new response options to reflect some of today's biggest company culture trends (remote work, reimbursement for remote work equipment, diversity and inclusion programs, and childcare for working parents), employees expressed consistent wants and needs year-over-year. **In 2020, respondents selected the same top four answers chosen in 2019, with "raise or bonus" taking the No. 1 spot.**

While perks like wellness programs and tuition reimbursement are certainly "nice-to-haves" and can help form an enticing company culture and supportive work environment, **our survey suggests that talent retention comes down to the basics: a fair salary, good benefits, healthy work/life balance, and a clear path for career growth.** These elements are more important now than ever, as novelties like free food and casual dress codes do not translate into the world of remote work.



REASONS FOR LEAVING

What factors are driving employees to leave their jobs voluntarily? Here's what survey respondents said:



Responses were spread across the board, but a few notable trends transpired:



MONEY IS THE MAGIC WORD: Because a “raise or bonus” was the top reason for staying with one’s employer, it’s not surprising that “unsatisfactory salary/pay” was the main motive cited for leaving one’s position voluntarily. Again, 2019’s survey unveiled the same top response, emphasizing the unwavering desire for fair compensation.



EMPLOYEES VALUE GROWTH OPPORTUNITIES: Another popular reason for leaving a job was “few growth or advancement opportunities.” This option received nearly identical proportions of survey responses year-over-year: 11.5% in 2020 and 11.7% in 2019.



STRESS LEVELS ARE HIGH: “Stress and/or unmanageable workload” rose 2.2% in 2020 as a reason for leaving a job. Moreover, 20.8% of respondents who expressed job dissatisfaction cited stress as their reason for seeking greener pastures.



LACK OF REMOTE WORK ISN'T A DEAL-BREAKER: Interestingly, survey results suggest that few employees are fazed by the inability to work remotely (1.3%). Similarly, just 2.3% were most turned off by their employers’ abilities to address safety/health concerns in the wake of COVID-19.



THE CAREER CHANGERS ARE COMING: 6.7% of employees said they would leave their jobs to pursue a different career path. This percentage seems small, but the fact that more employees expressed interest in exploring a new industry over receiving better benefits and striking a healthier work/life balance is telling. We’ll dive deeper into this upward trend in the next section.



“OTHER” RESPONSES SPANNED THE GAMUT: To better understand the factors propelling employees to change jobs during these unique times, we allowed respondents who selected “other” (15.7%) to specify their reason for leaving their employer. Popular responses included:

- Poor relationships with managers and coworkers
- Relocation
- Toxic work environment
- Long commute
- Retirement
- Disorganized management teams
- Not enough hours
- Unreasonable expectations
- Not enough training
- Not using skills to one’s potential
- Company longevity/stability
- COVID-19 concerns in general



Career Changers: An Emerging Retention & Recruitment Trend

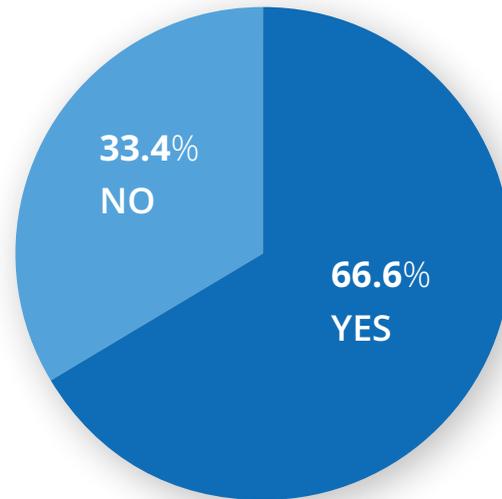
iHire's survey – along with the anecdotes and feedback we receive regularly from our customers – indicates that workers are strongly considering exploring new career paths. The growing interest in changing careers is an unanticipated result of COVID-19.

Reasons for seeking a change include concerns with sector viability and business longevity, apprehension about returning to in-office environments, inability to adapt to remote work, and burnout from working in essential industries (like healthcare) through the pandemic. It's also possible that COVID has spurred many people to rethink their career goals and reevaluate what is truly important in life.

In the case of career changers, there may be nothing an employer can do to keep their employees from jumping to a new industry and leaving them with another void to fill. Here's what survey respondents had to say about their likelihood of changing careers:

A majority of respondents (66.6%) have thought about changing careers in the past year:

HAVE YOU CONSIDERED CHANGING CAREER PATHS OR INDUSTRIES IN THE PAST YEAR?



61.8% of workers are considering making a major change in the coming year. Of that group, 28.9% of workers said a change is “very likely.”

HOW LIKELY IS IT THAT YOU WILL MAKE A MAJOR CAREER CHANGE IN THE NEXT YEAR?



Understanding that changing careers is no easy feat, we asked respondents to cite their most significant roadblocks to making a switch. We received a wide range of responses:*

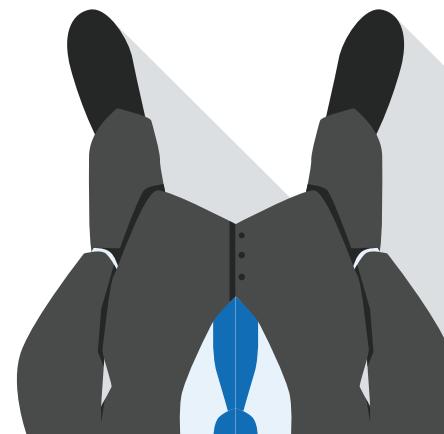
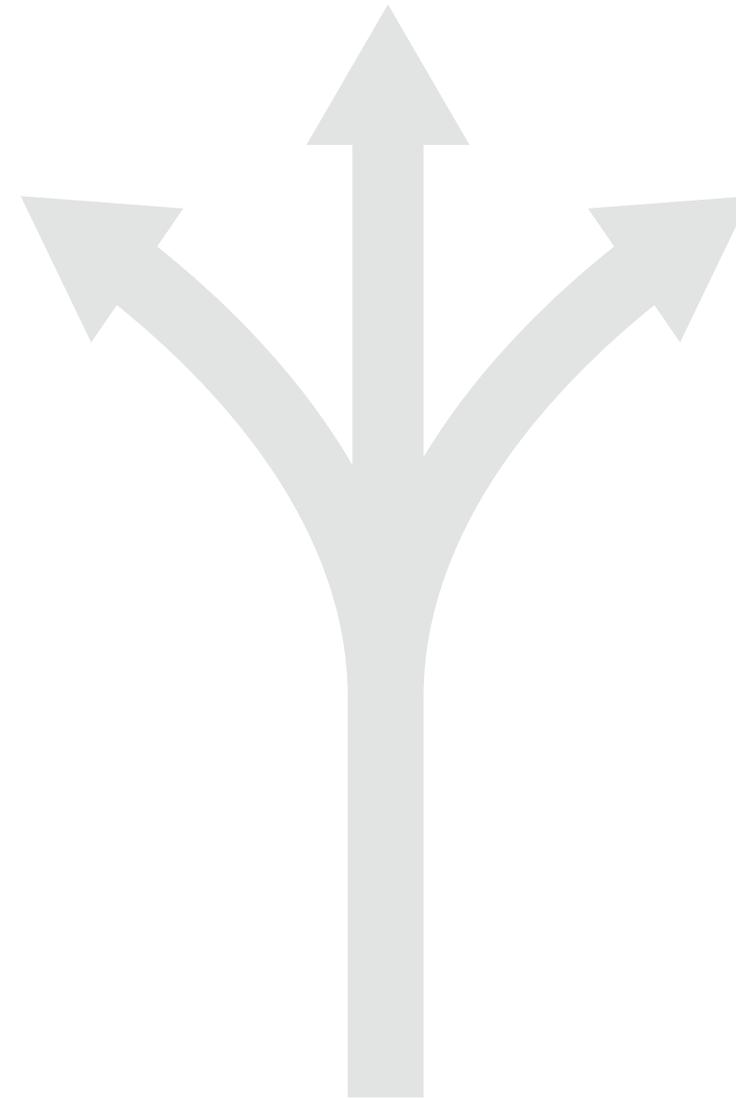
IF YOU ARE THINKING OF CHANGING CAREERS (OR HAVE ALREADY CHANGED CAREERS), WHAT ARE (OR WERE) THE BIGGEST ROADBLOCKS TO STARTING YOUR NEW JOURNEY?



*Respondents could select up to two answers, so percentages add up to a sum greater than 100%.

Understandably, career changers' chief concern is financial risk (35.3%). Often, pivoting to a new industry means accepting an entry-level position with a lower salary. Workers also indicated a great deal of uncertainty about changing careers – 22.8% said they were unsure what type of career they'd like to pursue while 16.0% said they simply didn't know where to start their search.

"Other" (17.6%) career change roadblocks included: age discrimination, lack of jobs in one's desired location, hesitancy to go back to school, inability to find remote work, and COVID-19 restrictions.



Talent Retention Takeaways

With our survey results in mind, consider the following five takeaways to retain top talent today and throughout the coming months.

- 1. SHOW COMPASSION:** It is now more vital than ever to remember that your employees are human. Everyone is experiencing the impact of the pandemic in different ways. Compassion and kindness go a long way in keeping your staff aboard. Show them appreciation, recognize them, support them.
- 2. BE FLEXIBLE:** Offering flexibility and helping your staff establish a healthy work/life balance go hand-in-hand with showing compassion. Whether you allow your team to adjust schedules to accommodate childcare, encourage time off, or enable a blend of in-office and remote work, embracing flexibility can increase retention.
- 3. GO BACK TO THE BASICS:** Employees want stability amidst a sea of uncertainty, and that means prioritizing fair pay and excellent benefits (e.g., health insurance, PTO, paid holidays, etc.). Retain your employees with these necessities and keep them engaged with additional perks that jive with the times. For example, consider providing remote employees with a monthly stipend to offset internet costs or schedule regular (virtual) social activities to keep your teams connected.
- 4. TALK ABOUT THE FUTURE:** No one can predict what the next few weeks or months will bring, but showing your employees a clear path towards professional growth can ease fears and give them a sense of optimism about their jobs. Help staff envision the next steps in their careers and provide the support to get them there. This will not only prevent turnover, but also allow you to better plan for your business's future.

- 5. EMBRACE CAREER CHANGERS:** Although it's not a way to improve retention, consider how hiring career changers might be able to fill gaps left by departing employees. If you're struggling to recruit, loosening your requirements and focusing on applicants' transferable skills can help you hire faster. Your next stellar employee could be someone from a completely different industry, eager to learn and grow into their new role.

Conclusion

With 2020 in the rear-view mirror and our sights set on 2021, we face unfamiliar and uncharted territory in how we recruit and retain great employees. iHire's survey results suggest that offering fair compensation and benefits, enabling flexibility to find a healthy work/life balance, and understanding that employees are human – with unique wants, needs, and situations – can help you keep your staff aboard during these tumultuous times and beyond.

ABOUT IHIRE

iHire is a leading career-oriented platform that brings candidates and employers together in 56 industry-focused communities. We believe that by narrowing job seekers' and employers' searches within a specific industry, we can connect high-quality talent with the right opportunities faster, easier, and more effectively than a general job board. Everyone deserves to find work that is fulfilling, inspiring, and meaningful. Since 1999, we've combined cutting-edge technology with our expertise in the recruitment space and the invaluable insights of our members to achieve just that. Visit www.ihire.com for more information.



Survey Methodology:

A total of 2,871 U.S. job seekers responded to iHire's survey in September 2020. Respondents came from iHire's database of active and passive job seekers across 56 industries. All decimal points have been rounded to the nearest tenth.

