

TALENT RETENTION REPORT

2021

3rd Annual Edition



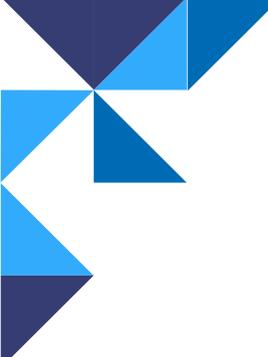
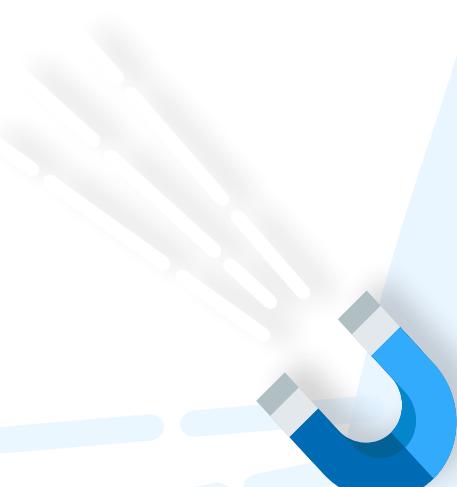


Table of Contents



Introduction	3
Executive Summary	4
2021 Survey Results	6
Voluntary Turnover	6
Involuntary Turnover	7
Career Changers	8
Job Satisfaction in 2021	9
COVID-19 & Resignations	10
Reasons for Leaving	11
Reasons for Staying	12
Takeaways & Final Words	14

Introduction: The State of Talent Retention in 2021

Is the employment market really amidst a “Great Resignation?”

According to the **Bureau of Labor Statistics**, **4.3 million** Americans quit their jobs voluntarily in August 2021 – the highest number on record since December of 2000.

iHire’s third annual Talent Retention Report comes at just the right time, bringing the hiring industry some much-needed answers. Even with a **4.8% U.S. unemployment rate** and **10.4 million job openings**, companies still can’t seem to fill positions. Case in point: 73.9% of employers surveyed for our **2021 State of Online Recruiting Report** said they’re struggling to find sufficient qualified applicants, and 77.0% are bracing for a talent shortage in the coming year. As a result, it’s even more critical for businesses to hold onto the employees they *do* have and prevent costly turnover that sends them back to the recruitment drawing board time and time again.

Our 2021 Talent Retention Report offers HR professionals insights into retention trends straight from today’s labor force – **3,948 U.S. workers** from **57 industries** responded to our survey in October 2021. What factors are leading employees to leave their jobs voluntarily? Is job satisfaction up or down since 2020? Most importantly, how can employers keep their “best and brightest” aboard?

10.4M
JOB OPENINGS



Executive Summary

The top findings unveiled by iHire's 2021 Talent Retention Survey, and detailed herein this report, include the following:



1.) Voluntary employee turnover is up 6.5% year over year. 31.4% of survey respondents left a job *voluntarily* in the past year, compared to 24.9% who said the same in our 2020 Talent Retention Survey. While 6.5% is not a staggering jump, it's worth noting that employee resignations are occurring at a greater rate than terminations or layoffs – 20.2% of survey respondents left a job *involuntarily* in the past year.



2.) Career changers are playing key roles in retention rates. 21.1% of workers surveyed said they've made a major career change in the past year (i.e., they left their job to pursue a completely different industry or career path versus simply changing their place of employment). iHire anticipated this voluntary turnover trend in 2020, as employees in industries most impacted by COVID-19 began to reevaluate their career goals and eye sectors promising greater stability.



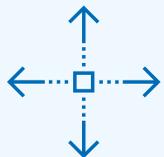
3.) Job satisfaction rates are steady and stable. Over half (54.8%) of survey respondents were satisfied with their current job or most recent job (19.4 were “very satisfied” and 35.4% were “somewhat satisfied”) – a 4.1% increase since 2020. If a Great Resignation is occurring, discontent with one’s workplace does not appear to be a significant factor.



4.) Employers’ COVID-19 policies are making or breaking employees’ decisions to stay or leave. 58.8% of workers would leave their jobs due to either too few (41.9%) or too many (16.9%) COVID-19 restrictions. Moreover, 1 in 5 employees (19.8%) would leave their jobs due to employer-required COVID vaccinations, and nearly a quarter (23.9%) would depart if hybrid work was not an option. These statistics show that employers’ responses to COVID-19 are enough to lead staff to search for jobs elsewhere.



5.) Salary remains a top motivator for keeping employees aboard. 70.9% of survey participants said they would leave a job due to unsatisfactory pay, while 77.9% of respondents said a pay raise would convince them to stay with their employer if they received a better job offer. For the third straight year (and by no surprise), salary has been the No. 1 factor in workers’ decisions to stay or leave a job.



6.) Employees want workplace flexibility. In addition to desiring hybrid work, employees want more say in how and where they work – 41.3% said a more flexible schedule would encourage them to stay with an employer, and 31.8% said the same about remote work options. Further, 62.8% said they would leave a job due to a poor work/life balance.

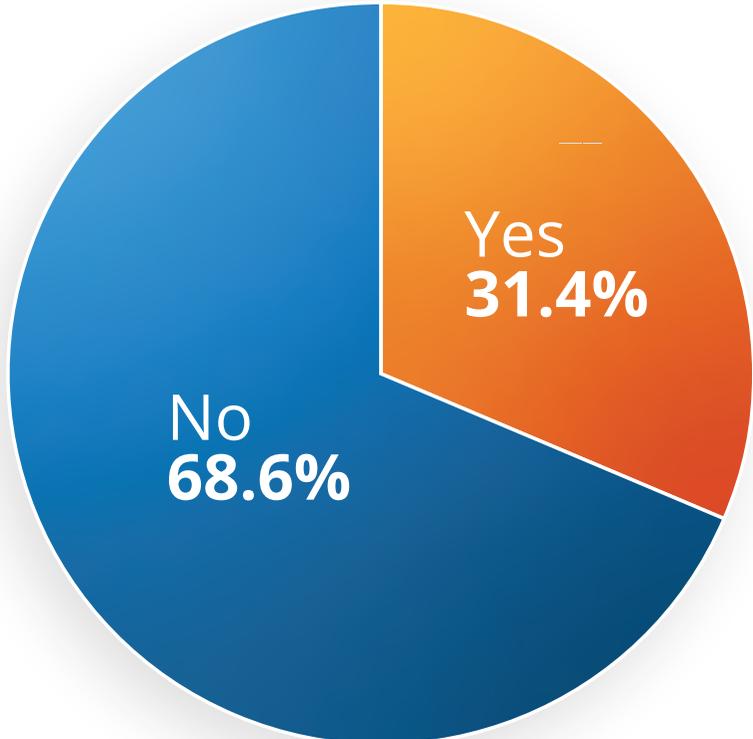
2021 Survey Results

VOLUNTARY TURNOVER

Industry experts are pinning the Great Resignation on voluntary turnover – employees are choosing to leave their jobs versus being fired or laid off. Of workers surveyed, 31.4% said they left a job voluntarily in the past year, compared to 24.9% who said the same in 2020's Talent Retention Report. That's a 6.5% increase in voluntary turnover, year over year.

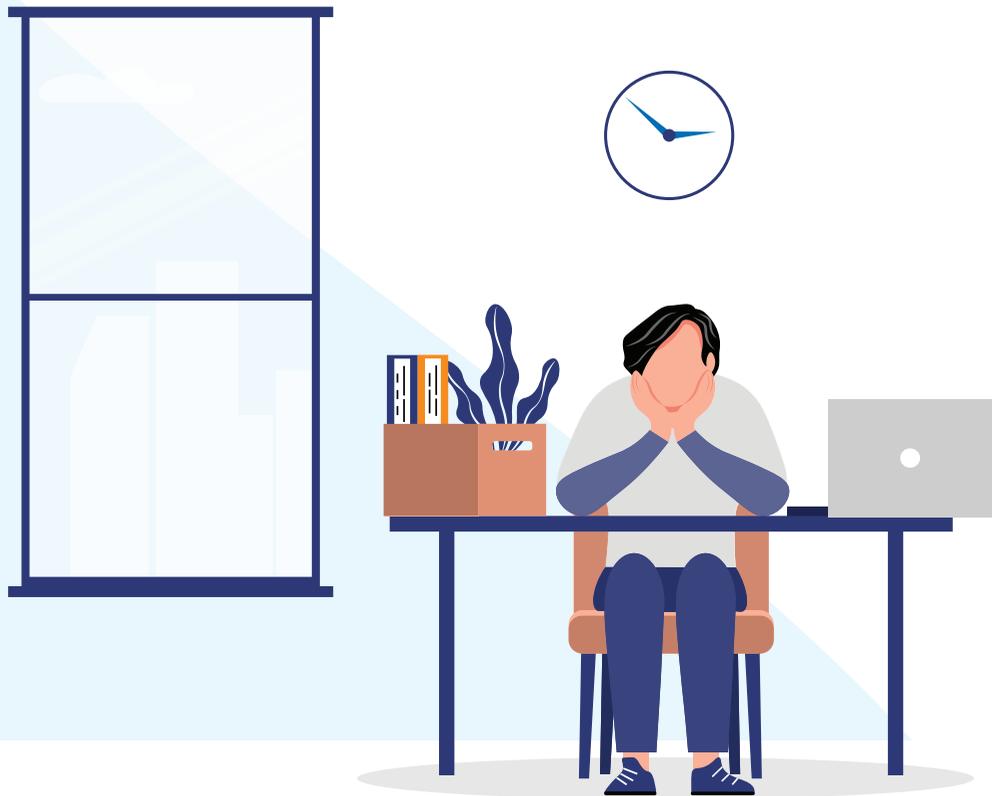
Perhaps not a staggering jump, the increase in voluntary turnover aligns with the current candidate-centered market: With more than 10 million U.S. job openings, the risks associated with abandoning one's position is far lower than it would be if jobs were scarce.

HAVE YOU LEFT A JOB VOLUNTARILY IN THE PAST YEAR?

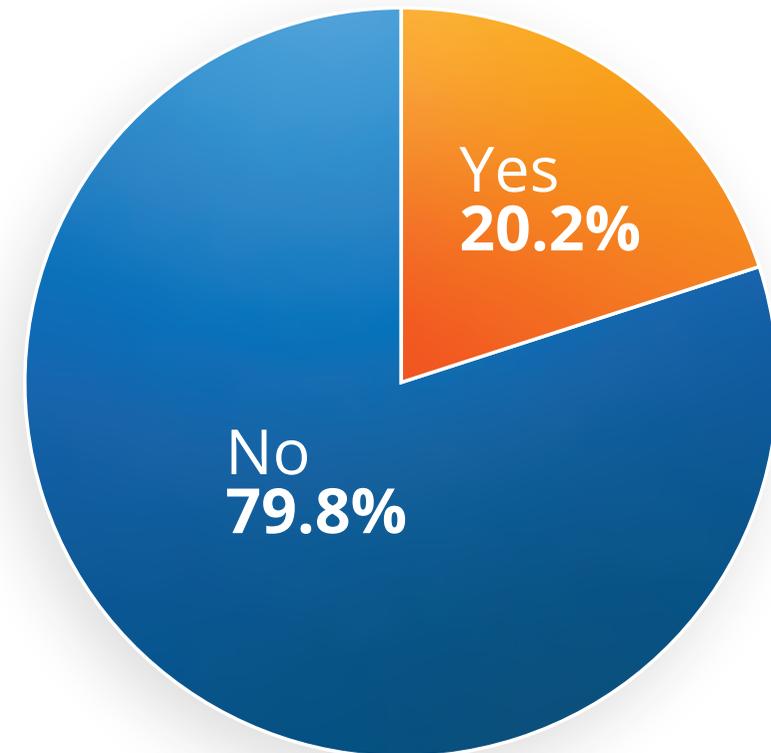


INVOLUNTARY TURNOVER

While voluntary turnover is up, involuntary turnover is down in 2021– 20.2% of workers said they have been fired, laid off, or terminated in the past year, compared to 26.2% in 2020. This 6.0% decrease is expected, given that we're no longer seeing the mass layoffs and business closures that occurred during the height of COVID-19.



HAVE YOU LEFT A JOB INVOLUNTARILY IN THE PAST YEAR?



Career Changers

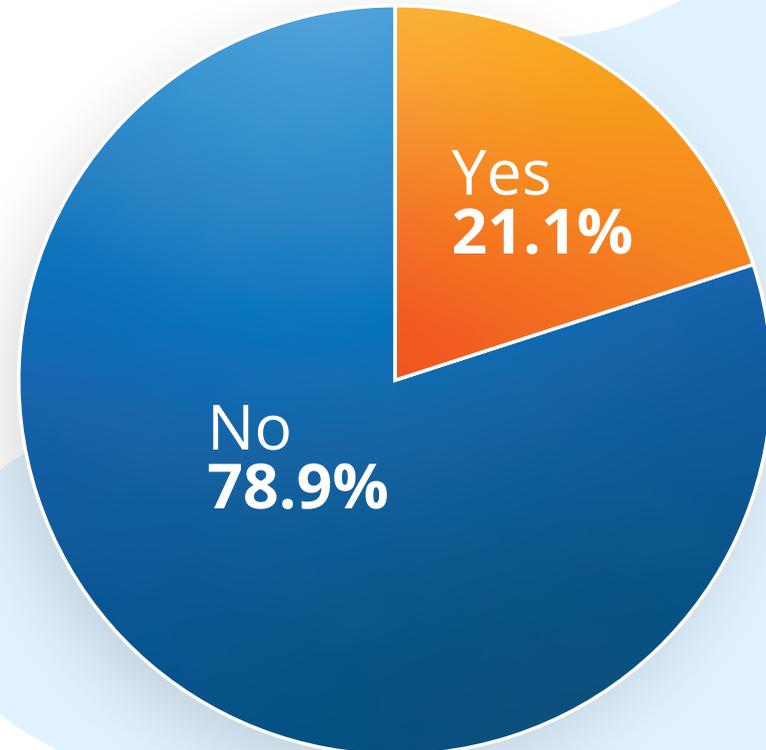
After the COVID-19 layoffs and lockdowns began in March 2020, iHire started hearing from job seekers seeking to make career changes (meaning they were exploring a completely different industry or line of work; not simply switching jobs). For instance, workers from the hospitality or culinary industries, where businesses downsized or shut their doors, began looking for opportunities to use their transferable skills in markets with more perceived longevity.

Last year, 61.8% of workers surveyed for our Talent Retention Report said they were considering making a major change in the coming year. Of that group, 28.9% of workers said a change was “very likely.” *Were they true to their word?*

In this year’s survey, 21.1% (1 in 5 workers) said they had made a significant career change since September 2020 – underscoring our suspicions that career changes are factors in the Great Resignation.

HAVE YOU MADE A SIGNIFICANT CAREER CHANGE IN THE PAST YEAR?

(i.e., you switched to a completely different industry or line of work vs. simply changed jobs)

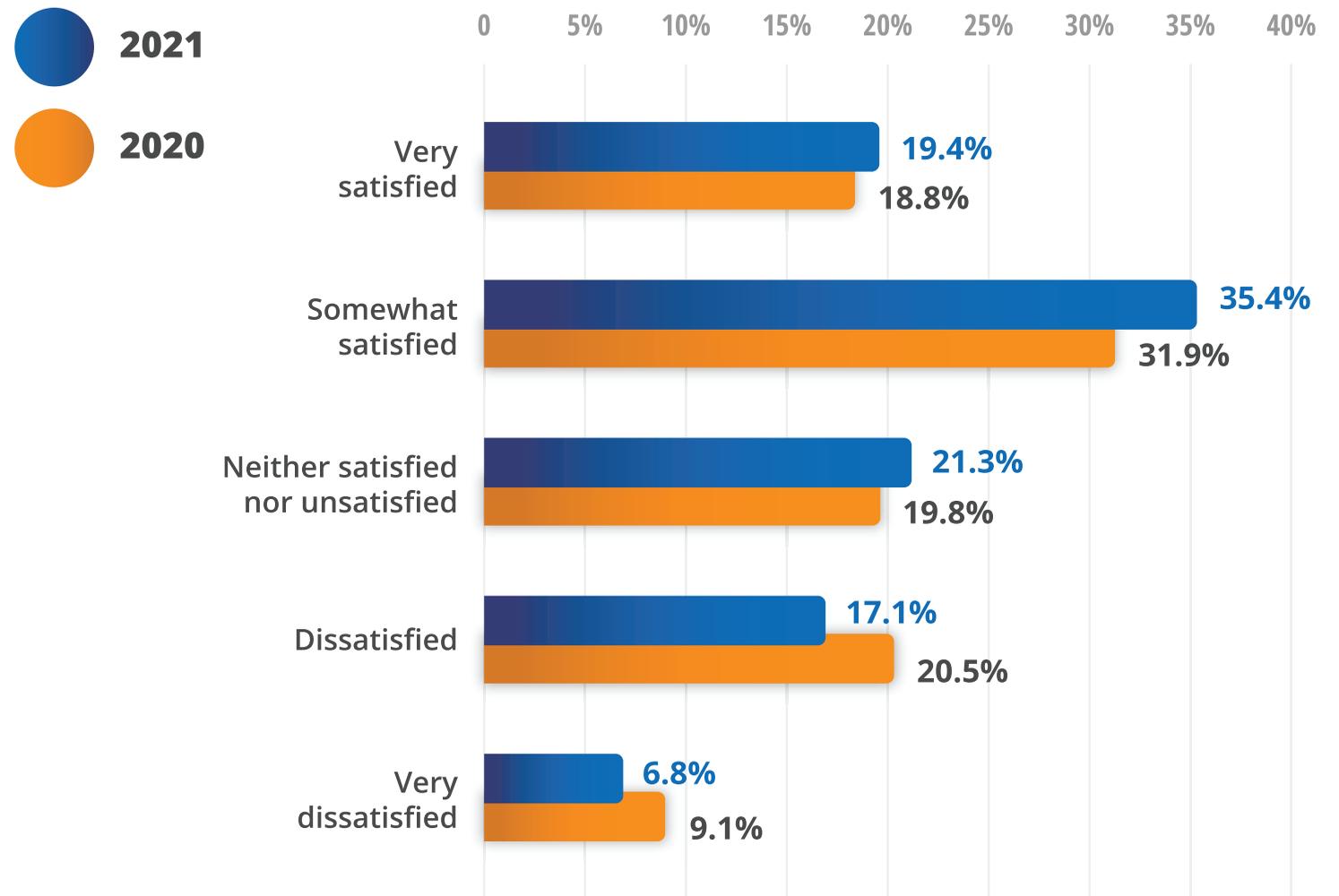


Job Satisfaction in 2021

As talk of the Great Resignation continues, there does not appear to be a significant decrease in job satisfaction in play, based on our survey data.

Over half (54.8%) of respondents were satisfied with their current job or most recent job (19.4% were “very satisfied” and 35.4% were “somewhat satisfied”). The good news for employers is that there is a slight increase (4.1%) in job satisfaction since 2020. At the same time, workers who were “very dissatisfied” with their jobs decreased in 2021 by 2.3%.

JOB SATISFACTION IN 2021 VS. 2020



COVID-19 & Resignations

Along with propelling workers to seek entirely new careers, COVID-19 and the precautions, restrictions, and policies it's brought to the workplace are indelibly impacting talent retention. Therefore, we'd be remiss if we did not ask survey respondents which COVID-19-related reasons would lead them to leave their job.

Here's how workers responded:



Would leave due to too few COVID-19 restrictions from their employer/don't feel safe/health concerns



Would leave due to no hybrid work options



Would leave due to employer-required COVID-19 vaccines



Would leave due to too many COVID restrictions from their employer (masking, social distancing, etc.)



Would leave due to required return to the office/on-site work



Would leave due to required remote work

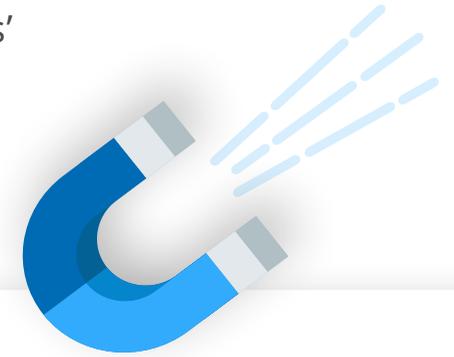


Would leave due to employer-required COVID-19 testing

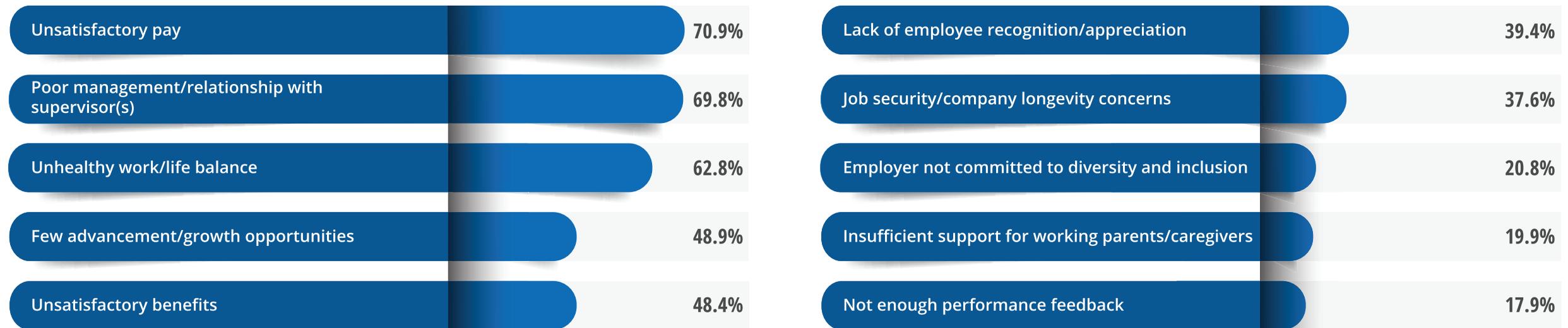
Not surprisingly, COVID-19 is a clear factor in whether an employee chooses to seek a new place of employment. Think about it this way: 58.8% of workers would leave their jobs due to either *too few* or *too many* COVID restrictions, showing that employers' responses to COVID-19 are enough for staff to take their talent elsewhere.

Reasons for Leaving

Excluding COVID-19 policies, what would compel employees to leave their jobs? Similar to the past two years' surveys, unsatisfactory pay ranked as the top reason for departure (70.9%), while poor management and relationships with supervisors (69.8%), and an unhealthy work/life balance (62.8%) followed closely behind.



WHICH OF THESE REASONS WOULD LEAD YOU TO LEAVE A JOB? *(Select all that apply)*



Reasons for Staying

Lastly, we asked survey participants to think of their current or most recent job. They were to imagine they were offered an even better job elsewhere. What, specifically, could their employer offer to convince them to stay?

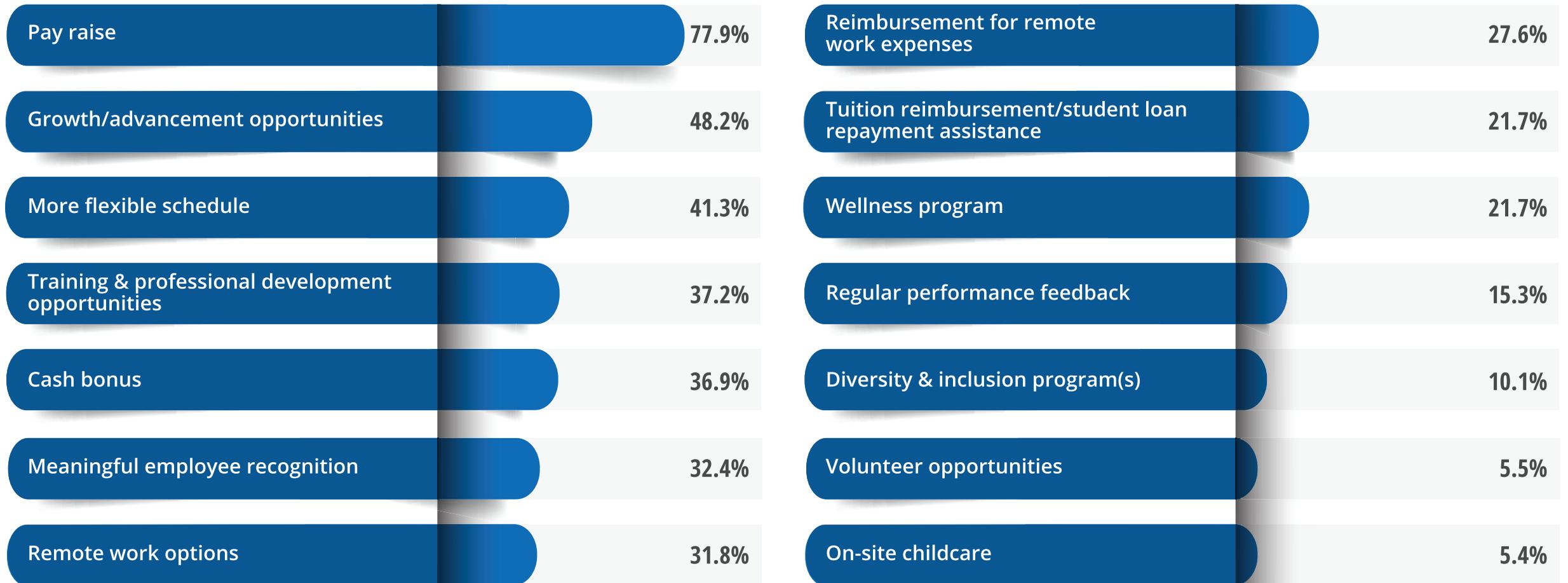
In line with respondents' top reason for leaving a job, 77.9% said they would stay at a job for a pay raise. Likewise, the second most popular response was growth/advancement opportunities (which more than likely comes with a salary bump).

Notably, 41.3% of workers would want a more flexible schedule, and 31.8% would desire the option to work remotely – these two data points reflect the fact that 23.9% of employees said a lack of hybrid work options would be enough for them to jump ship.





WHAT, SPECIFICALLY, COULD YOUR EMPLOYER OFFER TO CONVINCe YOU TO STAY IF YOU WERE CONSIDERING TAKING ANOTHER JOB? *(Select all that apply)*



Takeaways & Final Words

Although our survey did not point to a mass exodus (as BLS data shows), voluntary talent turnover is occurring at a 6.5% higher rate than one year ago. Job satisfaction remains fairly stable year over year at 54.5%, but that doesn't mean employees aren't actively seeking new opportunities or simply keeping an eye out for their next big move. COVID-19 policies (or lack thereof), including no hybrid work options, as well as a desire to change careers, all proved factors in dropping retention rates.

Use these five tactics, based on our survey data, to retain your workforce in the coming months:



1.) RETHINK HOW WORK GETS DONE. Increase retention rates by permitting more flexible work schedules (if applicable to your industry and workplace). Give staff options to work from home (or work from anywhere), explore a hybrid office model, or break away from the traditional "9 to 5." Just ensure you're establishing guidelines, setting expectations, and holding teams accountable to keep your organization ticking.



2.) OFFER COMPETITIVE PAY. Prevent your best talent from jumping ship by offering fair compensation. The market is always changing, so continuously evaluate what you're offering compared to industry averages in your location, and adjust your pay scale accordingly. Factor in bonuses, benefits, and extra "perks" when determining what you can put on the table.



3.) GET CREATIVE WITH INCENTIVES AND BENEFITS. Similar to offering an alluring salary, retaining employees requires setting your company apart – why should someone work for *you* instead of your competitor? Reevaluate your total compensation package and determine what, besides traditional health insurance and 401(k) options, you can offer. Based on our survey results, reimbursement for remote work expenses, wellness programs, and professional development opportunities are a few good places to start.



4.) CONSIDER CAREER CHANGERS. If your workers are contemplating leaving to pursue a career change, see if you can offer them roles in a different department or line of work and upskill them on the job. On the flip side, if you do need to fill positions left by departing team members, don't rule out career changers who enter your talent pool – they may not have the exact experience you're seeking (your "must-haves"), but possess the right transferable skills to become a viable fit.



5.) BUILD RELATIONSHIPS. More survey respondents (69.8%) said they'd leave a job due to poor management and relationships with their supervisors than would depart due to work/life balance issues (62.8%), few growth opportunities (48.9%), and unsatisfactory benefits (48.4%). Especially if you're operating with a remote or hybrid work model, nurture relationships and trust with your staff – from the top down – to prevent turnover. Holding honest conversations and/or conducting anonymous surveys can help point you in the right directions.

Whether or not a Great Resignation is upon us (or has already begun), employers must focus on retaining staff, not just attracting new talent. However, striking a balance between catering to your current employees and nurturing potential hires will prove most beneficial now and well into 2022.

**Filling your open positions or pipelines
with qualified talent begins with iHire.**

Start Hiring

Survey Methodology

3,948 U.S. workers from 57 industries responded to iHire's Talent Retention Survey in October 2021. Respondents came from iHire's database of job seekers. All decimal points are rounded to the nearest tenth. For many questions, multiple answers could be selected so percentages add up to a sum greater than 100%. In some instances, survey questions were skipped by an individual respondent.

About iHire

iHire is a leading career-oriented platform that powers a family of 57 industry-focused talent networks, including WorkInSports, iHireVeterinary, iHireDental, iHireConstruction, and iHireChefs. For more than 20 years, iHire has combined advanced job matching technology with our expertise in the talent acquisition space to connect job seekers with employers in their desired sector. With an industry-specific, candidate-centric, and data-driven approach to recruitment, iHire helps candidates find meaningful work, and employers find unique, high-quality talent – faster, easier, and more effectively than a general job board. Visit www.iHire.com for more information.

