



# 2022 RETENTION REPORT

HOW EMPLOYERS CAUSED  
THE GREAT RESIGNATION

**Employee  
Turnover  
Insights  
and Trends  
in 2021**

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← EXIT

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# FOREWARD BY WORK INSTITUTE CEO DANNY NELMS

## EMPLOYERS CAUSED THE GREAT RESIGNATION

Yes, I wrote it and unfortunately believe it to be true. The popular narrative is that employees had time to reflect on their life and career during the pandemic and simply decided to do something different. Sure, there are examples of this behavior, but the data tells us a different story. Upon reflecting on their current workplace, employees believed it would be better to work somewhere else.

**Over 47 million US workers quit their job in 2021. That was 34% more than 2020 and 13% more than 2019.**

The data also tells us that most potential employees are back in the workforce. They are not on the sidelines waiting for that perfect opportunity to come along that pays them 25% more than they were making before.

Let's take this a step further. In the twelve months following the onset of the global pandemic, we saw employee perceptions of their employer rise dramatically.

**From Q4 2019 to Q2 of 2020 employee perceptions of their employer rose 117%.**

Some will speculate that employees felt empathy for their employers and were giving them higher scores. But let's consider the behavior of employers in the wake of the global pandemic. Employers stepped up. The level of concern for employees and their well-being was exceptional. Communication efforts were increased, managers made themselves available, employees had clarity of expectations, and so on.

This is not an opinion. This is what data from over 28,000 departing employees told us. In Q2 of 2021 those perceptions begin to fall. From Q2 of 2020 to Q2 of 2021 employee perceptions of their Employer fell by 64%; their Job by 46%; their Team 21%. The only perception to stay level was Manager which only fell by 2%. What began in Q2 of 2021? The onslaught of The Great Resignation. In January of 2021, 3.3 million employees left their jobs voluntarily. By December 2021 that number was 4.5 million. Is that not the fault of employers?

Will my contention that employers caused The Great Resignation be controversial? Maybe, maybe not. What concerns me is that those employers that argue they were not the cause are not looking at the data. Instead, they blame The Great Resignation on pay and contend employees simply sought a new job because they could make more money. Guess what. Almost every employee in the U.S. could quit their job today and make more money. I recently read the average increase when taking a new job is over 10%. But is that why they left? Data supports that less than one in ten employees cite Pay as the root cause of leaving.

Ask anyone that knows me well and they will tell you a sure-fire way to get me on a soapbox is to start talking about employee retention, and they are probably right. What I do KNOW is that employers can do (and have done) better. I have seen it. When they are successful at improving retention they were led by reliable data. For what it is worth, that does not mean HR conducting an Exit Interview on an employee's last day - don't even get me started on that!

Employers caused "The Great Resignation." I wish it had not happened, but it did. I also know that it gave us a small glimpse into what employees want from their employer. Luckily, it is not all that complicated. Employers possess all the answers to stem the tide of the mass exodus of employees. If employers are willing to really listen to employees, they will gladly reveal what needs to be done to keep them. Read on to see what we learned from employees about The Great Resignation.



Danny Nelms, CEO  
Work Institute



# EXECUTIVE SUMMARY

- Unemployment has been volatile reaching **a high of 15% in 2020** and quickly declining to less than 4% in 2021.
- More than **47 million employees quit their job voluntarily 2021** – the most since the Bureau of Labor Statistics began tracking this statistic in 2001.
- The War for Talent is back and more challenging than ever. Most employees have rejoined the workforce and with **over 10 million open jobs**, employers are forced to attract employees from other companies rather than the ranks of the unemployed.
- **Career reasons** continue to be the **top category** for why employees leave their job.
- Contrary to popular belief, although the category increased from 2020, **less than one in ten employees left their jobs for Pay** reasons.
- **Health & Family, Retirement,** and **Work-Life Balance** categories all **declined** in 2021.
- **Career, Job,** and **Relocation** categories all **increased** in 2021.
- Pay is an attractor to a new employer, but **Career is a more significant attractor.**
- **Perceptions of Core Drivers** of employee engagement and retention improved in 2020 and then **rapidly declined in 2021.**
- **Exit interviews are a powerful tool** in developing employee retention strategies. Improving Core Driver ratings significantly decrease the chances that employees will leave voluntarily.
- **Employers** may have discovered the formula for retaining and engaging their employees – and then they **quit, and so did their employees.**

# STATE OF THE WORKFORCE |

The volatility in the US Workforce over the last two years was unparalleled and employers felt it across the board.

# UNEMPLOYMENT

Proclaiming that unemployment has been volatile is an understatement. After near historic low unemployment towards the end of 2019, the pandemic caused unemployment to climb rapidly to almost 15%, its highest level in over 50 years.

What is unique to 2021 is how quickly unemployment declined. We can see

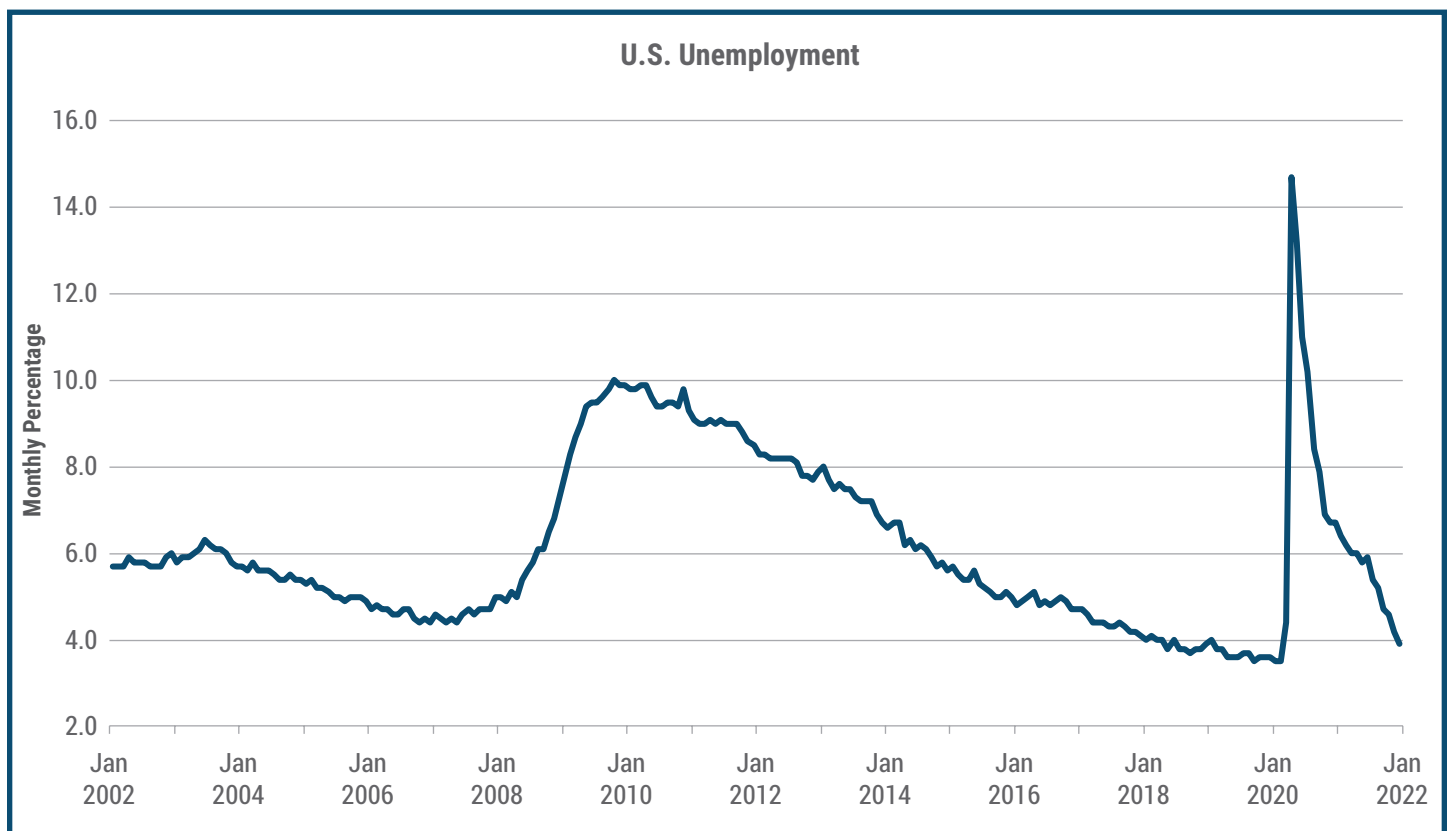
from the chart that post 2008-2009 recession, it took almost eight years to reach 4% unemployment. In under two years the unemployment sank from 15% to under 4%. Certainly, logic tells us this scenario was possible, but it appears employers are reeling from the effects of how quickly unemployment returned to historic lows.

**14.8%**

**April 2020  
Unemployment Rate**

**3.9%**

**December 2021  
Unemployment Rate**



**After the volatility of 2020, 2021 saw unemployment trending back to its pre-pandemic levels.**

# QUIT RATE

The Great Resignation is real. More employees voluntarily left their jobs in 2021 than any other year since the Bureau of Labor Statistics began tracking the Quit Rate in 2001.

Looking back just a decade to 2012, twenty-five million workers left their jobs voluntarily. In 2021 that number hit almost fifty million. In ten years, voluntary turnover in the U.S. workforce doubled.

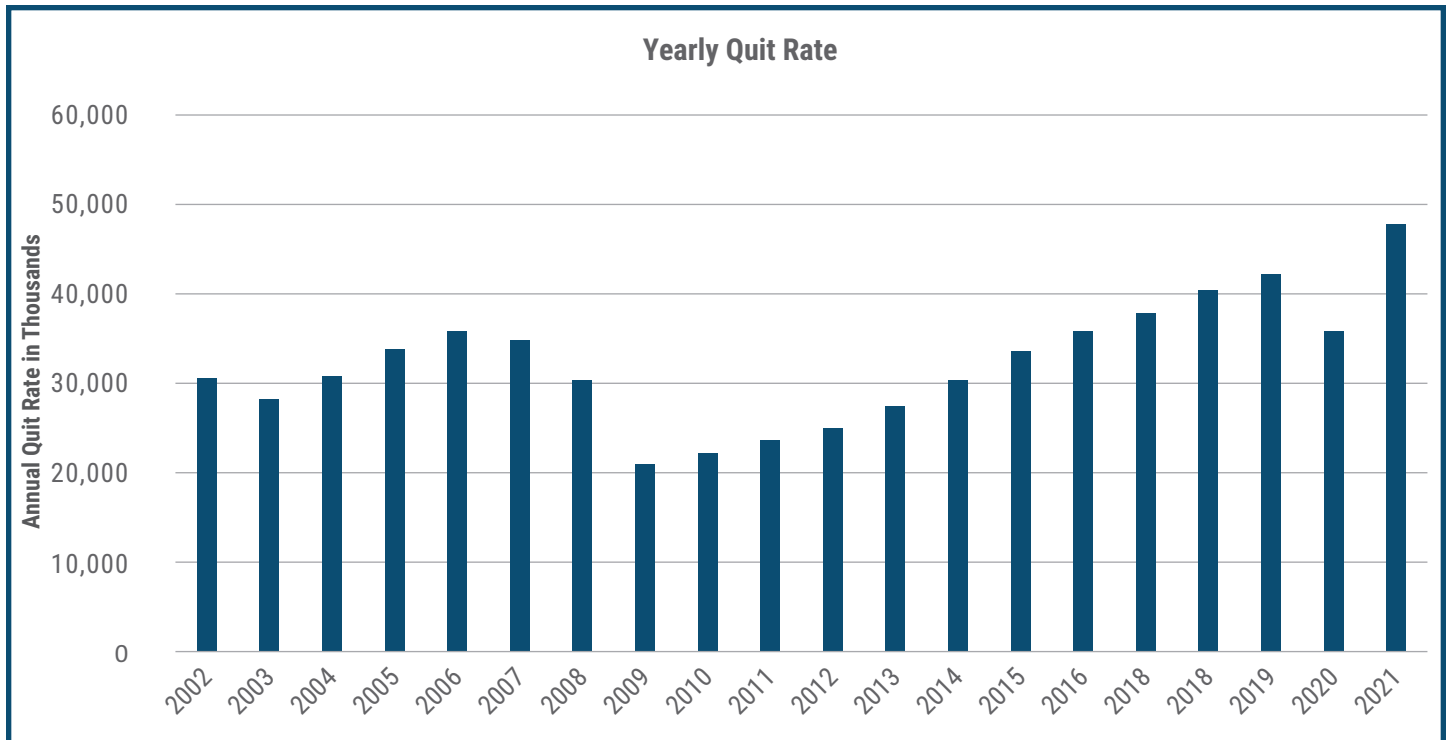
Clearly in 2020 the global pandemic caused many employees to stay in their jobs and, of course, many were laid off. 2020 saw 15% fewer employees leave than the previous year. In 2021, 34% more employees quit their jobs than 2020. There was also an increase of 13% over 2019, the previous record year for employee quits.

**2020**

15% fewer quits than previous year

**2021**

34% more quits than previous year



**2021 experienced 13% more voluntary quits than the previous recorded high of 2019.**



# SUPPLY DEMAND ISSUES

Here we are again. The war for talent is back and raging hotter than ever. A record number 6.4 million jobs were created in 2021 in the wake of the global pandemic. Given the continued decline in unemployment, the gap between open jobs and the unemployed has widened.

In December of 2020 the U.S. had 0.8 unemployed persons per job opening. By December of 2021 that had dropped 25% to 0.6.

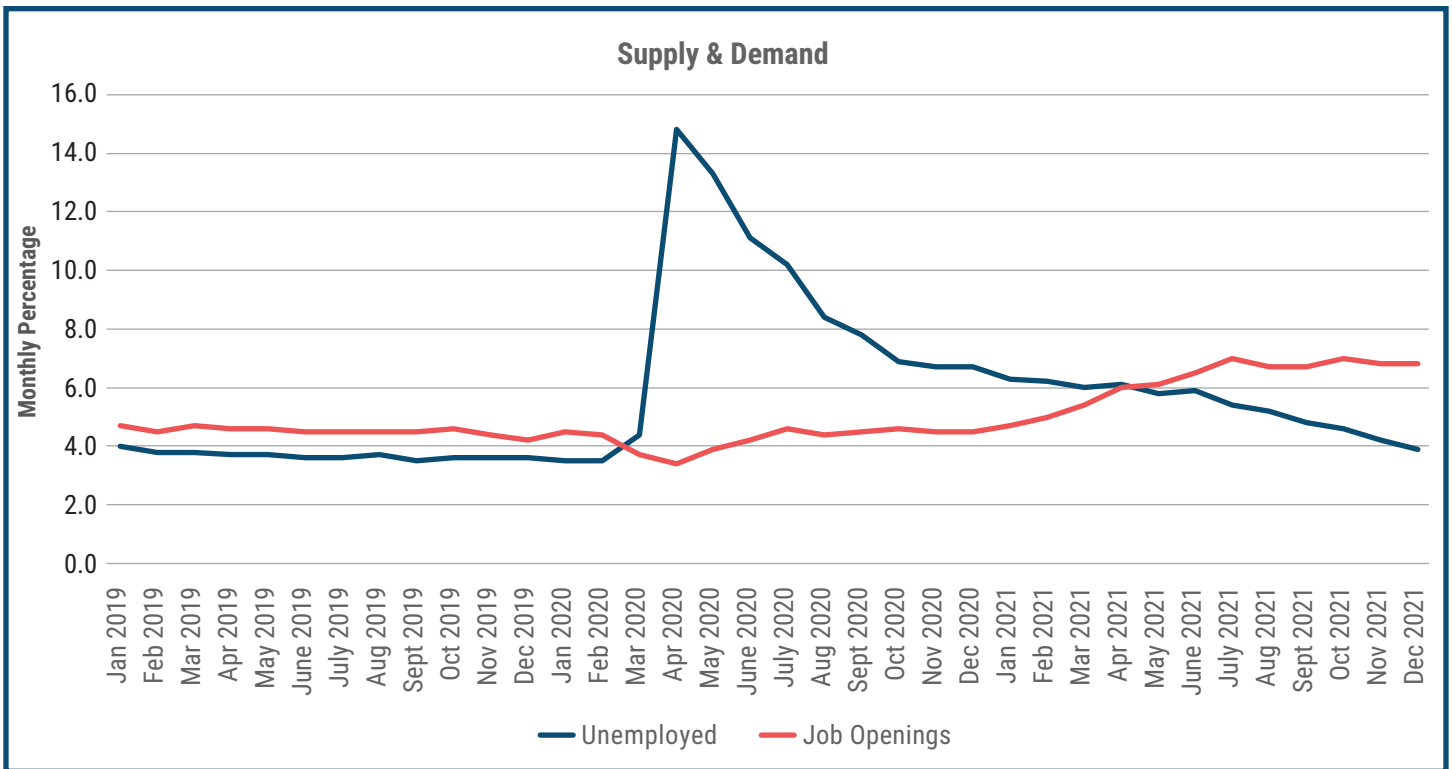
Work Institute predicted a worsening supply/demand problem in 2019, and although it was delayed by the pandemic, it is certainly here. Almost every organization's bottom line feels the effects of the current supply and demand market. The need for employers to retain their current employees has never been greater.

**0.8**

**Unemployed workers per job opening in December 2020**

**0.6**

**Unemployed workers per job opening in December 2021**



**There are more available jobs than unemployed workers. Those available jobs will be filled by those who currently have jobs. Organizations must be more competitive with talent acquisition, management, and retention strategies.**

# LABOR FORCE PARTICIPATION

The narrative for much of 2021 focused on how the U.S. had too many potential employees sitting on the sidelines by choosing not to work. However, as the economy and organizations began to rebound from the impacts of the global pandemic, most employees who wanted jobs were back in the workforce.

From February of 2021 to January of 2022, the labor force grew by just under 3 million workers. The number of persons unemployed looking for work fell by just under a million workers during that same period.

**JUST UNDER  
3 Million**

**Growth of labor force  
from February 2021 to  
January 2022**



**Potential employees are NOT sitting on the sidelines waiting to be recruited by companies. They are currently employed and being proactive in finding what they perceive as a better employer.**

# THE COSTS OF EMPLOYEE TURNOVER

A lot has been said and written about what caused the Great Resignation. What we do not hear about as much is how costly turnover is for employers. Work Institute research indicates that losing an employee typically costs approximately 33% of their base pay. **For the average US employee, the cost of turnover is approximately \$15,000.**

Below is a list of the various costs incurred when an employee departs. Unfortunately these costs do not show up on a profit & loss statement. These costs are spread out and mostly hidden to employers. Some companies track their turnover costs, but many do not.

Both voluntary and involuntary result in costs. However, most employers choose to focus on voluntary turnover costs. **In 2021 the costs of turnover to employers exceeded \$700 billion** and the costs of turnover to employers have more than doubled since 2009.

### SEPARATION COSTS:

- Exit Interviews
- Administrative time
- Separation and benefit pay
- Unemployment tax

### REPLACEMENT COSTS:

- Job vacancy communication and advertising
- Pre-employment administration
- Interviews

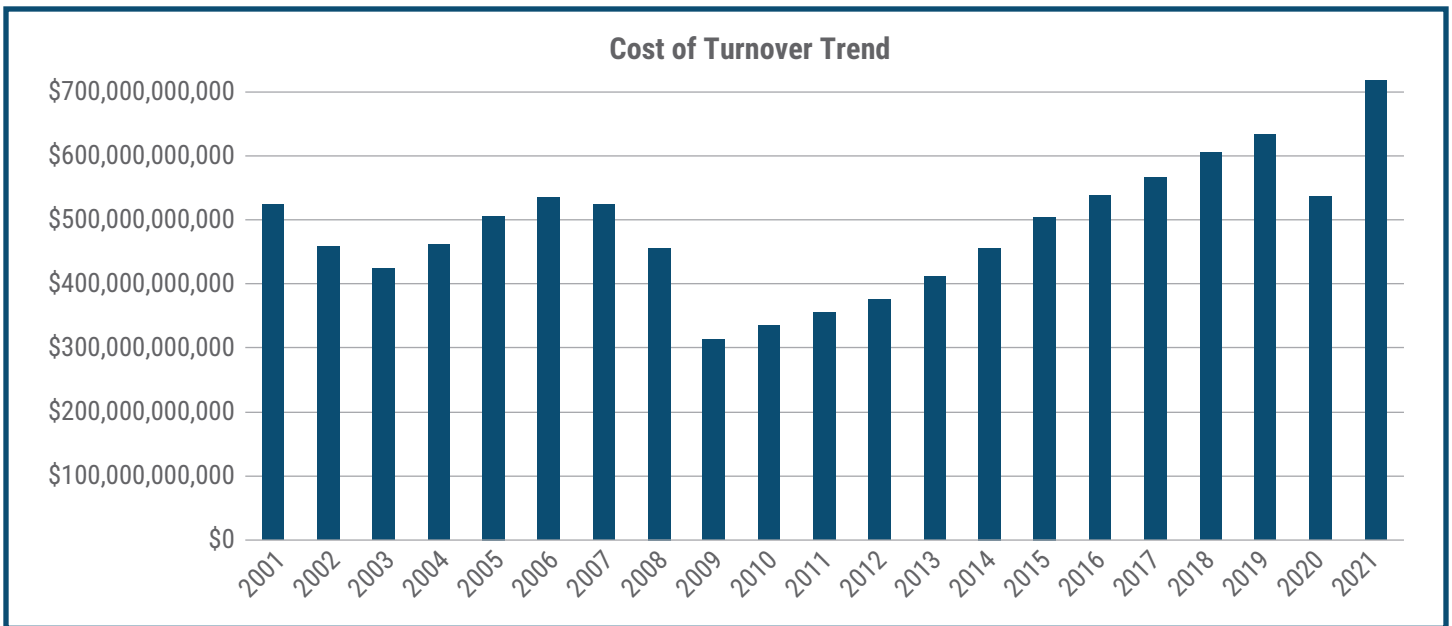
- Background checks, exams, and testing
- Relocation cost

### TRAINING COSTS:

- Orientation
- Training
- Materials
- Equipment
- Job Instruction


### LOST PRODUCTIVITY:

- Performance differences
- Lost business
- Lost institutional knowledge
- Decreased productivity by current employees
- Risk of legal action
- Company reputation damage



**Employers that do not track the cost of turnover often lose millions of dollars in profitability that goes unnoticed.**

# REASONS FOR LEAVING



Despite the narrative that Pay is the major driver of the Great Resignation, less than one in ten employees cite Pay as the root cause for their departure.

# REASONS FOR LEAVING OVERVIEW

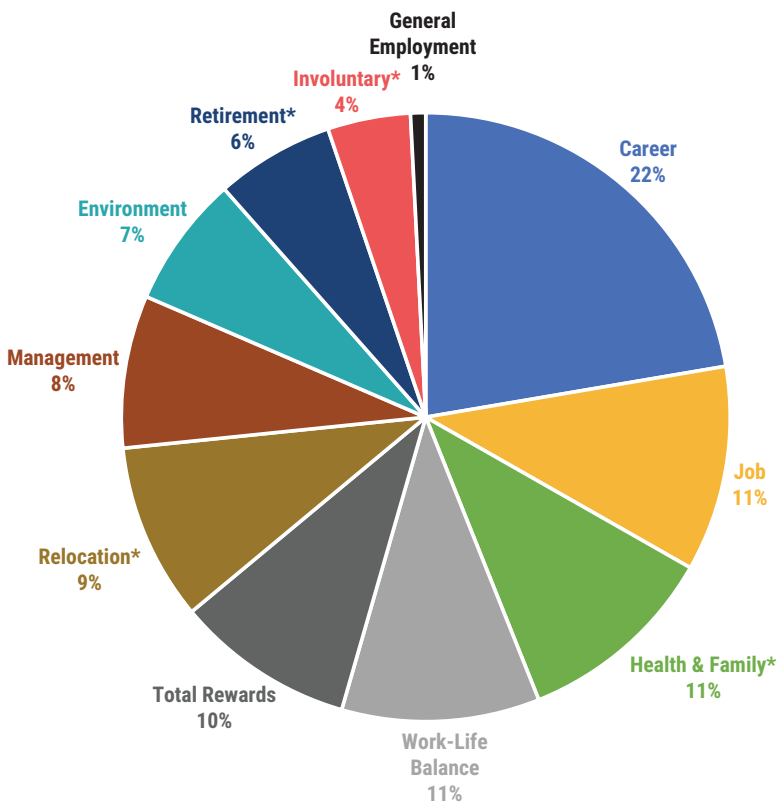
Over the past twenty-two years, Work Institute has developed a best-practice methodology collecting and analyzing employee Reasons for Leaving. Our researchers conduct employee feedback interviews and categorize the results into eleven Reasons for Leaving categories, allowing Work Institute to quantify insights accurately and efficiently.

**Reasons for Leaving categories include:**

- **Career:** Opportunities for growth, promotion, achievement, security, or to attend school
- **Job:** Stress, availability of resources, training, job characteristics, empowerment, or products
- **Health & Family:** Child or elder care, work-related health, or non-work-related health

- **Work-Life Balance:** Travel, commute, or scheduling preferences
- **Total Rewards:** Base pay, benefits, bonuses, or commissions
- **Relocation:** Employee initiated, company initiated, or spouse initiated
- **Management:** Professional behavior, support, knowledge and skills, or communication
- **Environment:** Organizational culture, facilities or physical environment, mission and values, safety, diversity, or coworkers
- **Retirement:** Personal decision to exit the workforce
- **Involuntary:** Termination or layoff
- **General Employment:** miscellaneous issues not assigned to other categories

**2021 Reasons for Leaving**



Theme in Turnover	% of total
Career	22.3
Job	10.9
Health & Family*	10.7
Work-Life Balance	10.5
Total Rewards	9.5
Relocation*	9.4
Management	8.1
Environment	7
Retirement*	6.3
Involuntary*	4.4
General Employment	0.8

*Those Reasons for Leaving with a \* are designated as "Less Preventable" when compared to the other Reasons for Leaving*

# ALL REASONS VERSUS MOST IMPORTANT REASONS

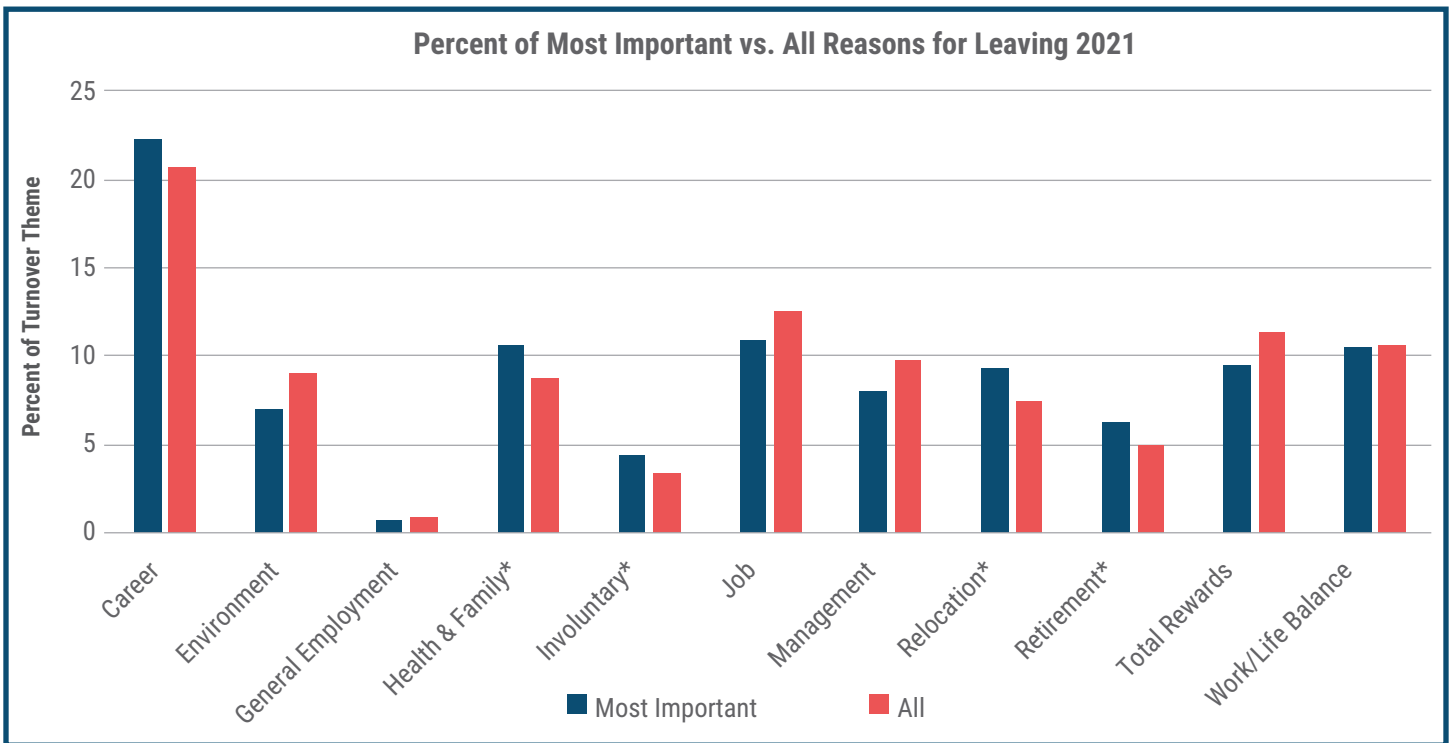
Work Institute’s Exit Interviews are specifically designed to solicit all the reasons that effected an employee’s decision to leave. However, we also intentionally ask the former employee to identify the Most Important reason they chose to leave. Many Exit Interview methods fail to identify the real root cause for the employee’s departure. Evaluating All Reasons vs. Most Important Reasons offers employers confidence to act on the most impactful retention issues.

Specifically, this section investigates differences between self-reported Most Important Reason for Leaving versus all self-reported Reasons for Leaving. The two groups represented two differing datasets: the Most Important

Reason for Leaving dataset and All Reasons for Leaving dataset.

Themes in turnover between the Most Important Reasons for Leaving dataset and All Reasons for Leaving often followed similar patterns, though some differences were identified. Within both datasets, Career was the most frequently cited Reason for Leaving and General Employment was the least.

The most frequently cited Reasons for Leaving are not always the Most Important Reasons. In order to reduce turnover and increase length of stay, organizations need to pay attention to the Most Important Reasons.



**Two thirds of departing employees cite more than one reason for leaving. A third of those employees identified the first reason they provided was not the Most Important.**

# SPECIFIC COVID IMPACT – MORE OF AN ISSUE IN 2020 THAN 2021

Given the significant impact the global pandemic had on the US workforce, it is important to highlight how often covid was mentioned as a factor in the Reasons for Leaving. Covid effected many aspects of Reasons for Leaving, and not just Health & Family. Covid policies and mandates contributed to these Reasons for Leaving as seen below.

- The greatest number of Covid-related comments fell within 2020 of both datasets.
- 83.5% of all Covid-related comments were identified as “Most Important Reason for Leaving” comment.
- 65.8% of all Covid-related comments were made in 2020, while 33.2% were made in 2021.
- In 2019, most Covid-related comments referred to leaving due to the Environment, within both dataset types (Most Important = 8; All = 12).
- In 2020, most Covid-related comments referred to leaving due to Health & Family, within both dataset types (Most Important = 991; All = 1103).
- In 2021, most Covid-related comments referred to leaving due to the Job, within both dataset types (Most Important = 342; All = 419).

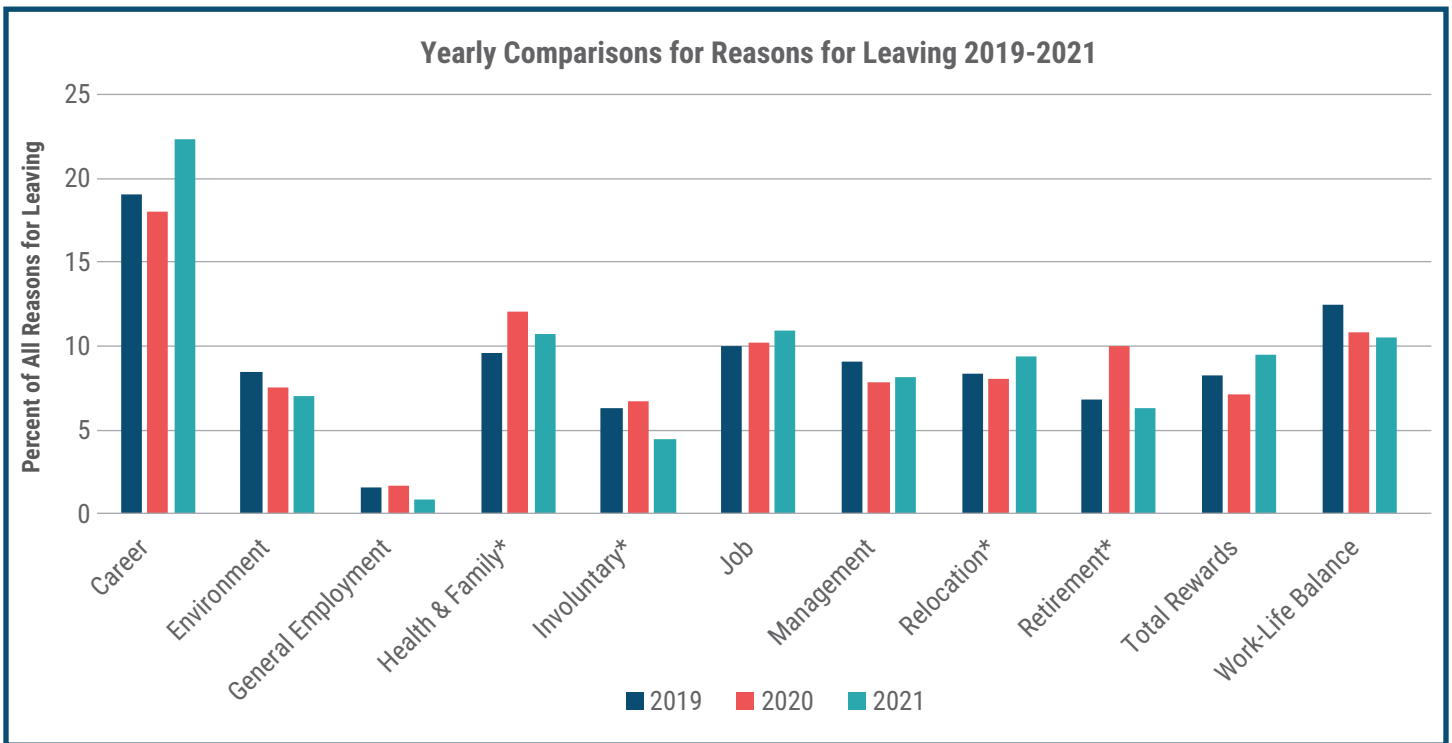
COUNT OF COVID-RELATED COMMENTS BY YEAR & MOST IMPORTANT REASONS FOR LEAVING VS. ALL REASONS FOR LEAVING						
Theme	Most Important Reasons			All Reasons		
	2019	2020	2021	2019	2020	2021
Career	2	79	33	2	94	47
Environment	8	251	116	12	331	178
General Employment	3	78	13	3	93	15
Health & Family*	3	991	230	4	1103	267
Involuntary*	4	251	86	4	254	87
Job	2	179	342	3	229	419
Management	1	101	84	2	141	114
Relocation*	0	30	17	0	33	21
Retirement*	1	96	18	1	100	18
Total Rewards	0	25	36	1	43	62
Work-Life Balance	3	154	59	7	177	82
Note: N =	27	2235	1034	39	2598	1310

# REASONS FOR LEAVING: TRENDS

Overall, themes in turnover that trended up from 2019 to 2021 include Career, Health & Family, Job, Relocation, and Total Rewards. Conversely, Environment, Involuntary, Management, Retirement, and Work-Life Balance trended down.

Each theme in turnover was examined across a three-year period. The bar graph below shows the overall frequency (%) each turnover theme was selected as a primary Reason for Leaving for each year beginning in 2019. Percent change from 2019 to 2021 are shown in parentheses. Themes that trended include:

- **Trended up:** Career (17%), Health & Family (11%), Job (9%), Relocation (12%), and Total Rewards (14%)
- **Trended down:** Environment (18%), Involuntary (30%), Management (11%), Retirement (7%), and Work-Life Balance (16%)
- After seeing a dip during the pandemic of 2020, Career rose again to be the most popular Reason for Leaving for the twelfth consecutive year.
- Work-Life Balance and Environment continue to show a downward trend as a Reason for Leaving due to employers becoming more flexible.



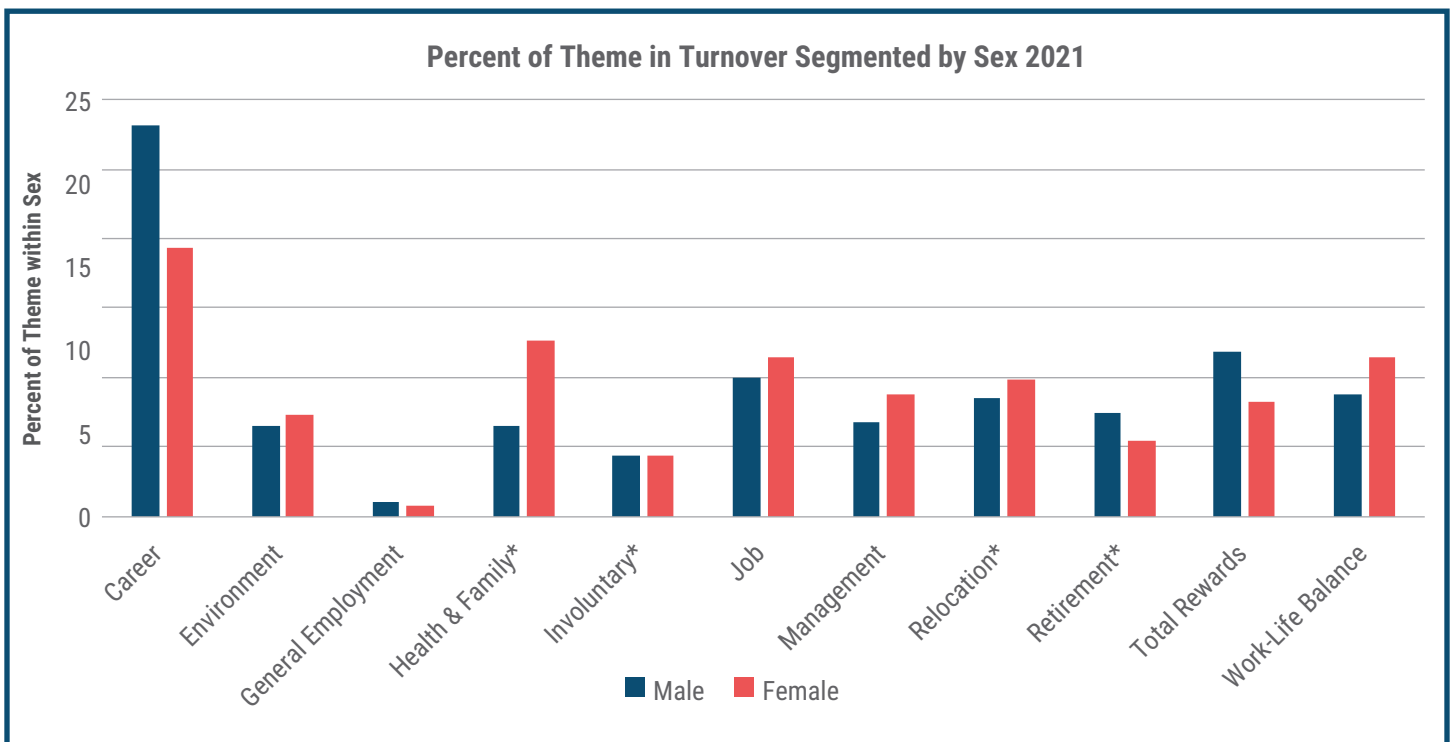
**Pay was cited as the number one Reason for Leaving for less than one out of ten employees.**



# REASONS FOR LEAVING: SEX

The chart below depicts the yearly percentages of Reasons for Leaving for self-reported males and females. Here it is more apparent how much higher Health & Family as a Reason for Leaving was for women and Retirement as a Reason for Leaving was for men amidst the COVID-19 pandemic.

Men and women both reported the same drop in involuntary theme as the reason for their departure in 2021. However, men appear to report Career and Total Rewards as their Reason for Leaving more than women across all three years, while women cite Relocation as a Reason for Leaving more often than men across all three years, though there was a slight decrease for both sexes in Relocation in 2020.



**The biggest differences between sexes regarding Reasons for Leaving are men leave more often for Career reasons and women leave more often for Health & Family reasons.**

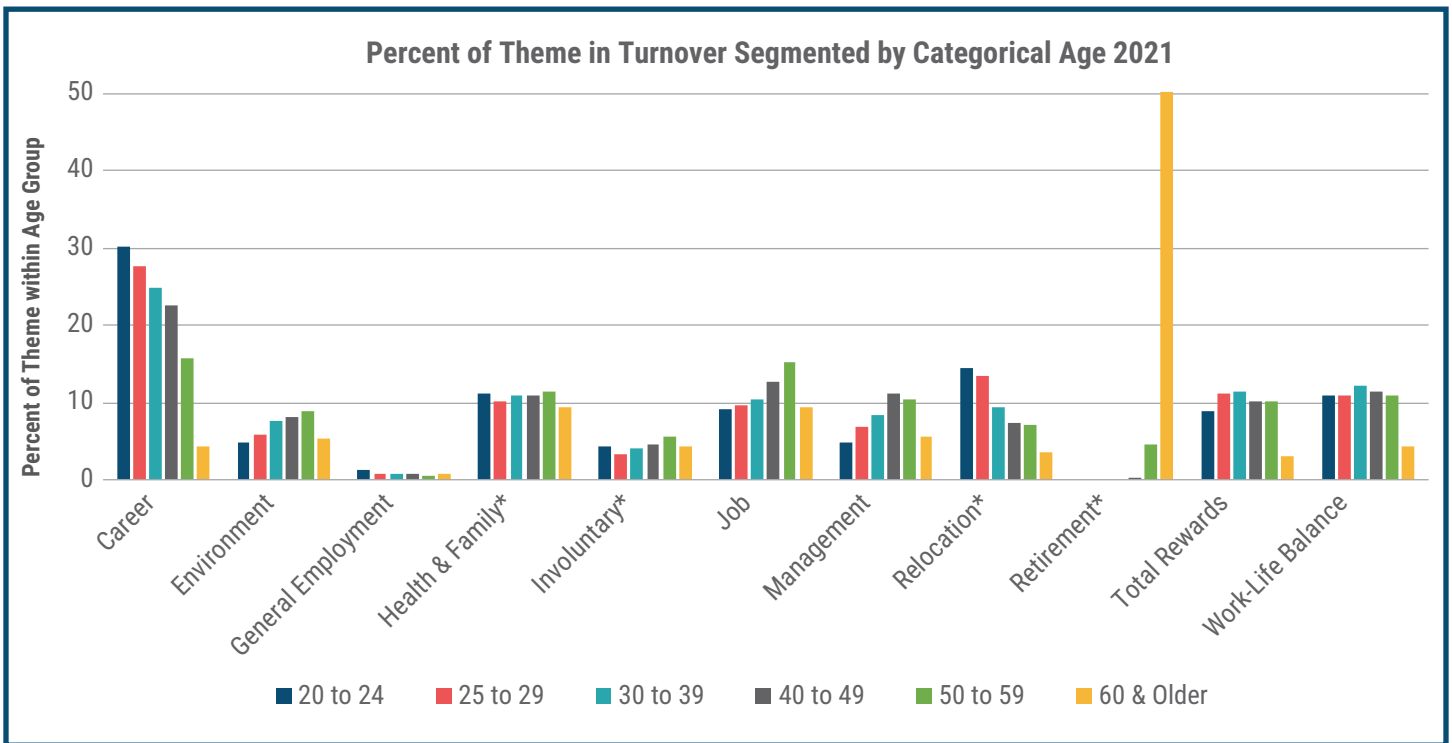
# REASONS FOR LEAVING: AGE

Similar to 2020 data reported in the 2021 Retention Report, 2021 data continues to present a descending pattern for Career with age group 20 to 24 reporting the highest percentages of Career Reasons for Leaving; age groups 25 to 29, 30 to 39, 40 to 49, 50 to 59, and 60 & Older reporting increasingly lower percentages.

Health & Family in 2021 compared to 2020 developed a new pattern in which each age group began to report similar, lower

percentages, though those in the 60 & older age group lag behind the others. In addition, reporting of Involuntary as a Reason for Leaving as decreased for all age groups in 2021.

Continuing on the same pattern from 2020, the age group 60 & Older reported the lowest percentages for Career, Management, Relocation, Total Rewards, and Work-Life Balance when compared to all other age groups.



**An employee's generational label is not as important to Reasons for Leaving as the life stage of the employee.**

# REASONS FOR LEAVING: TENURE

Health & Family increased as a Reason for Leaving across all five tenure groups in 2020 and then decreased in 2021. All tenure groups experienced an upward trend in Retirement in 2020 and then decreased in 2021. Further, Retirement as a Reason for Leaving increased substantially for those in the “Greater than 10 Years” tenure group in 2020, but then dramatically decreased in 2021.

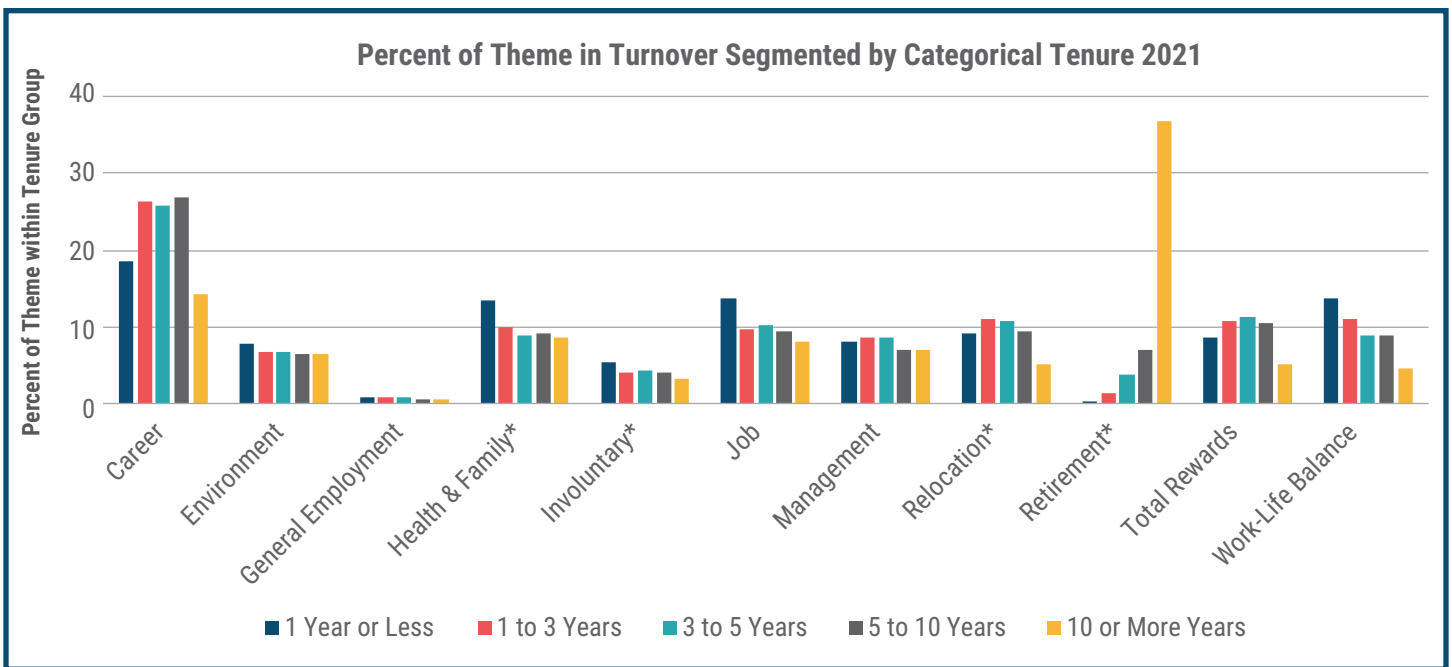
Management as a Reason for Leaving stayed relatively stable or slowly decreased for every tenure group from 2019 to 2021 except for the “greater than 10 years” group, which saw a spike in leaving due to Management in 2021.

The findings demonstrate similar patterns to those found in 2020. In addition, while some tenure Reason for Leaving patterns are like those of age by Reason for Leaving, differences do exist. Though Retirement was reported at the

highest percentage among the “10 or More Years” group, the Career, Environment, Job, Management, and Relocation did not show findings that mimic those seen in the cross tabulation by age.

Data related to Job and Career look very different when looking at tenure versus age. For tenure by Job, patterns appear roughly to decline across groups, while patterns appear to increase roughly across tenure groups for Career.

Also notice the tenure group “1 year or less” has a higher percentage than all other tenure groups for Health & Family, Involuntary, Job, and Work-Life Balance as the Reason for Leaving. Conversely, the tenure group “10 or more years” has a lower percentage than all other tenure groups for Career, Involuntary, Job, Relocation, Total Rewards, and Work-Life Balance.



**Health & Family increased as a Reason for Leaving across all five tenure groups in 2020 and then decreased in 2021.**

# REASONS FOR LEAVING: THEMES

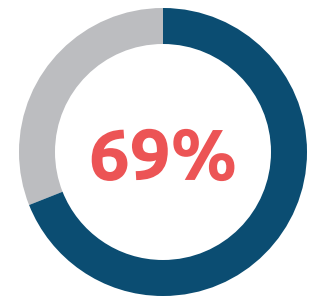
In 2021, over two-thirds (69.0%) of turnover was for More Preventable Reasons, such as to find a job with more opportunities for promotion, a schedule that provides the individual with better Work-Life Balance, more professional managers, and so on.

2021 saw a decrease in Less Preventable Reasons for turnover and an increase in More Preventable Reasons in comparison to the 2021 report data (less preventable – 36.7%, more preventable 63.3%). While the impact of COVID-19 likely had a significant impact on retention statistics in 2020, it appears

that preventability has begun to trend more similarly in 2021 to that prior to the start of the pandemic.

Themes in Turnover are categorized as More or Less Preventable Reasons. The four themes that are considered less preventable are noted by an asterisk (\*) in the table below.

Of the Less Preventable Reasons in turnover, Health & Family and Retirement spiked from 2019 to 2020. However, both declined from 2020 to 2021. An increase was observed in 2021 from 2020 in Relocation.



**69% of turnover was for More Preventable Reasons in 2021**

Percent of Top Reasons for Leaving 2021			
Theme in Turnover	%	Theme in Turnover	%
Career	22.3	Management	8.1
Job	10.9	Environment	7
Health & Family*	10.7	Retirement*	6.3
Work-Life Balance	10.5	Involuntary*	4.4
Total Rewards	9.5	General Employment	0.8
Relocation*	9.4		

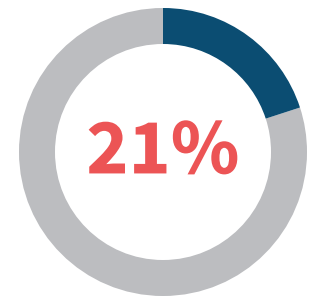
Reason for Leaving Preventability by Year			
Preventable	2019	2020	2021
Less	31.1	36.7	30.8
More	68.9	63.3	69.2

*Those Reasons for Leaving with a \* are designated as "Less Preventable" when compared to the other Reasons for Leaving*

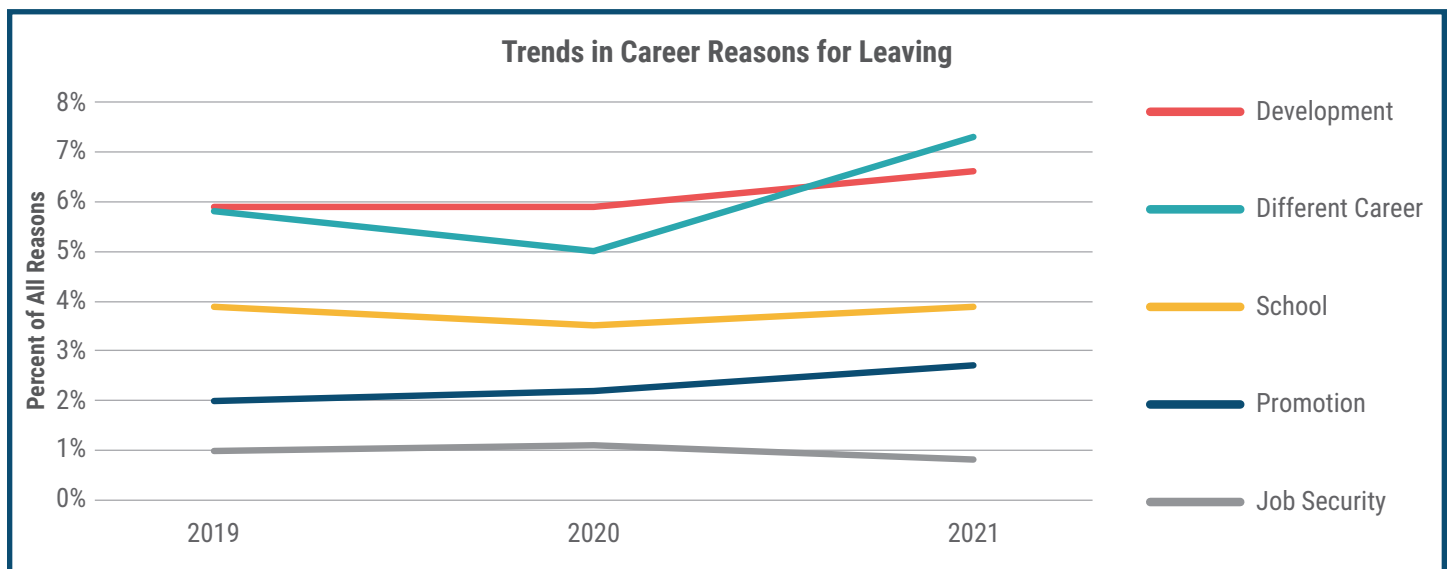
**More Preventable Reasons in 2021 surpassed 2019 levels.**

# REASONS FOR LEAVING: CAREER

- Four of the five career subthemes (i.e., Development, Different Career, School, and Promotion) lie within the top 50% of all Reasons for Leaving subthemes in 2021.
- There was a decrease in departures due to Job Security between 2020 and 2021.
- From 2020 to 2021, there was a steep increase in departures due to employees choosing a Different Career. Departing due to Job Security, Promotion, and Development also increased, but to a smaller extent.
- After dropping during the 2020 pandemic, all sub-themes have risen higher than their pre-pandemic levels except Job Security



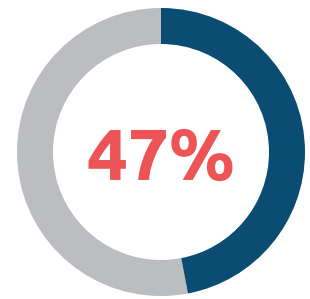
**of employees quit for career reasons in 2021**



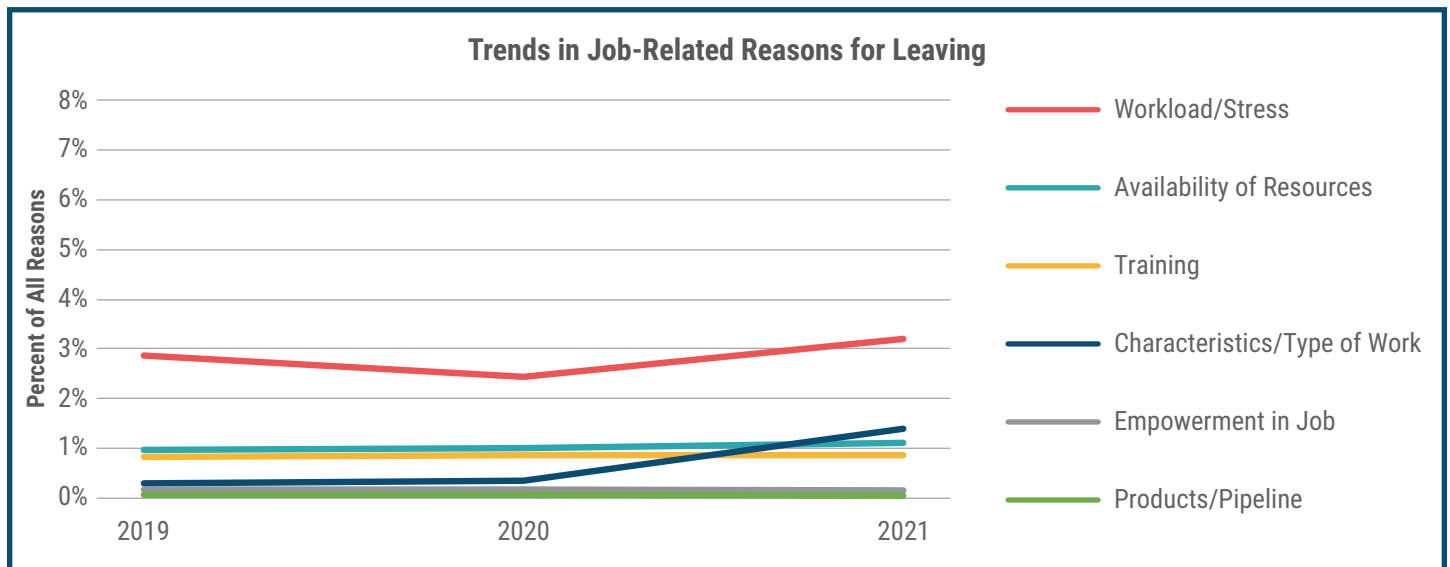
**Organizations need to emphasize the importance of managing an employee's career within the organization. This could include different jobs within the company, growth in their current job, or developing new skills to attain a promotion.**

# REASONS FOR LEAVING: JOB

- Workload/Stress made up almost half (47.2%) of all job-related Reasons for Leaving.
- Leaving because of the Characteristics/Type of Work increased dramatically from 2019 to 2021, with the biggest change occurring between 2020 to 2021.
- Workload/Stress, Availability of Resources, and Training only changed slightly from 2019 to 2020.



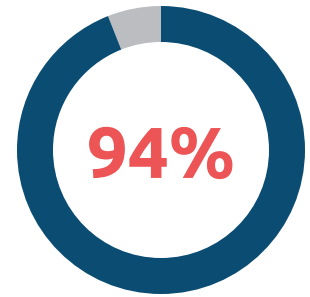
**of all job-related Reasons for Leaving were Workload/Stress**



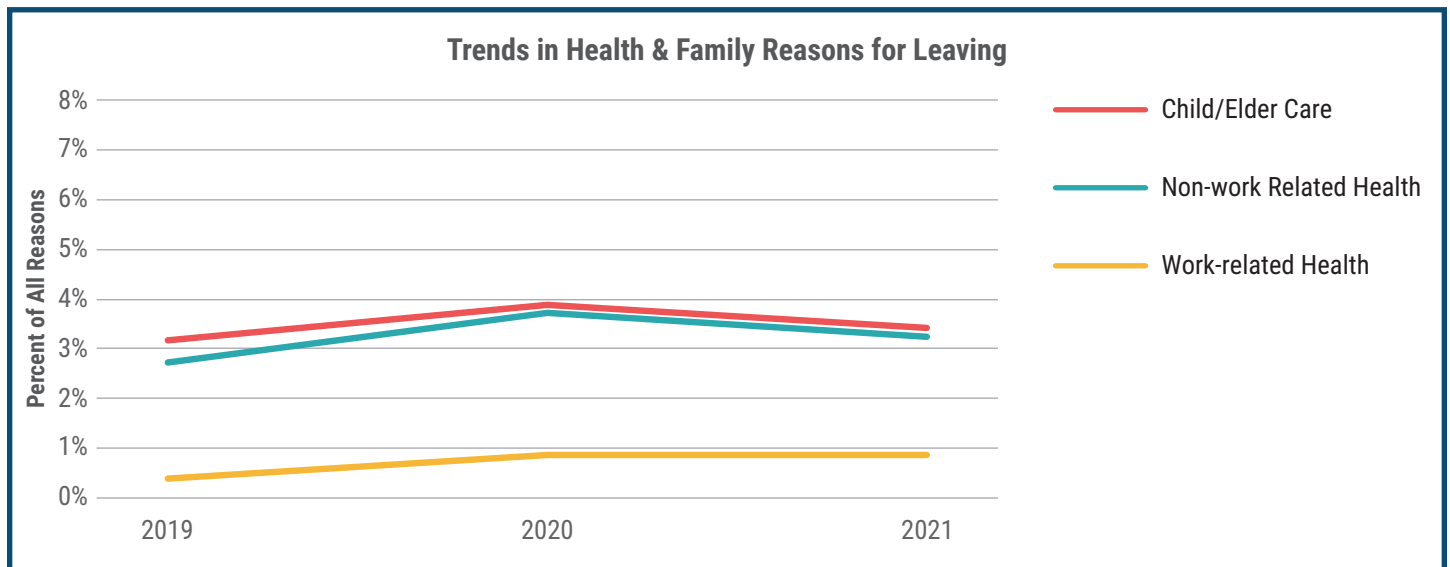
**In the wake of the pandemic, many employees are asked to do more and organizations must be aware of that added stress. Employers can reduce stress by ensuring appropriate resources or developing stress reduction tactics.**

# REASONS FOR LEAVING: HEALTH & FAMILY

- Work-related Health as a Reason for Leaving slowly increased from 2019 to 2021.
- Both Child/Elder Care And Non-work Related Health followed a similar pattern of increasing as a Reason for Leaving from 2019 to 2020 and then decreasing from 2020 to 2021.
- Most interviewees leaving due to Health & Family reasons (94.2%) reported leaving either for Child/Elder Care or Non-work Related Health.



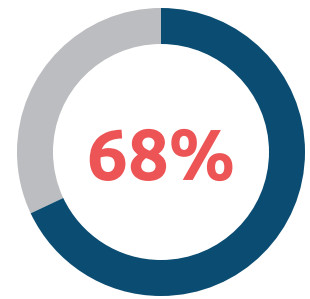
**of interviewees leaving due to Health & Family were not leaving due to Work-related Health**



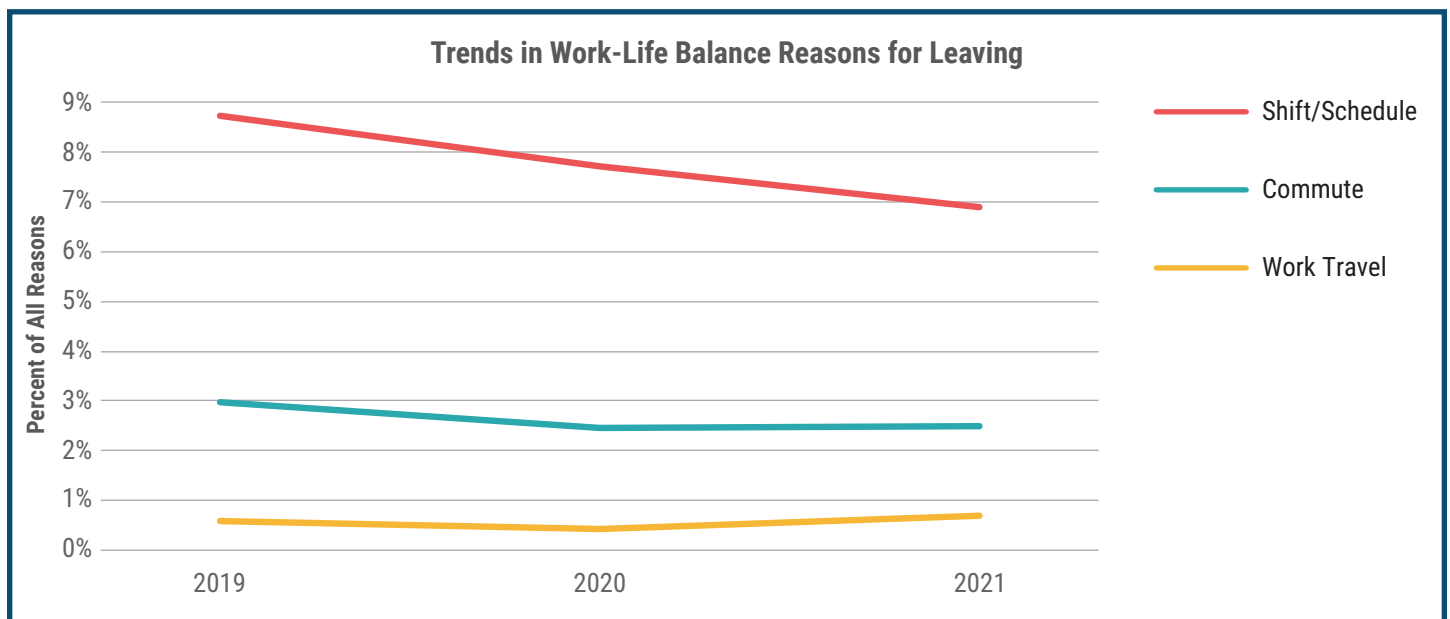
**The pandemic created conditions where employees continued to assess health related issues, both at work and at home. The organizations that understand and act on their employees' need to care for themselves and their families see less turnover.**

# REASONS FOR LEAVING: WORK-LIFE BALANCE

- Shift/Schedule and Commute reasons for turnover were lower overall than in previous years.
- Work Travel as a Reason for Leaving was higher in 2021 than in 2019 or 2020.
- The pandemic forced employers to implement flexible work arrangements, causing Work-Life Balance as a category to decline.



**of those who left for Work-Life Balance cited Shift/Schedule**

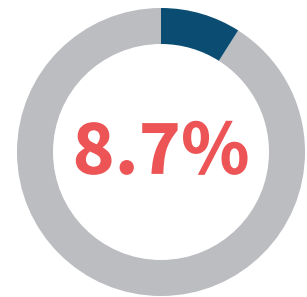


**Employers must find ways to continue to navigate work-life integration, not just Work-Life Balance. The demand for workers continues to rise and organizations must pay attention to employees needs and understand how to assist in the challenge of work-life integration.**

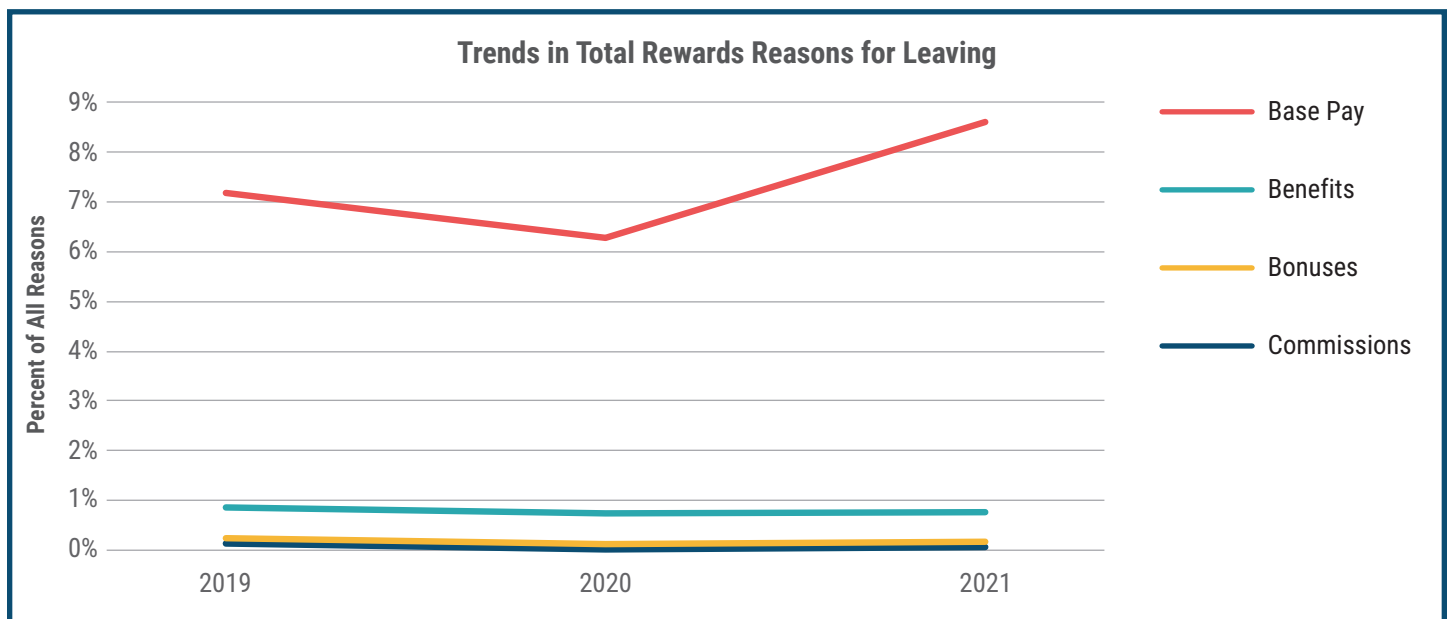


# REASONS FOR LEAVING: TOTAL REWARDS

- Interviewees who reported leaving due to Total Rewards primarily left due to Base Pay (91.1%). Leaving due to Base Pay saw a steep decrease from 2019 to 2020 before increasing from 2020 to 2021.
- Leaving due to Base Pay also made up a large percentage of all Reasons for Leaving (8.7%).
- Leaving due to Benefits, Bonuses, or Commissions changed only slightly from 2019 to 2021.



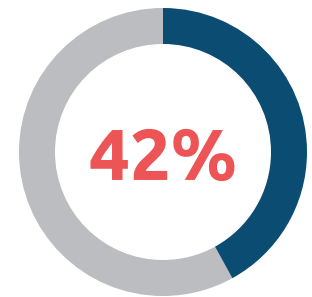
**of interviewees left  
due to Base Pay**



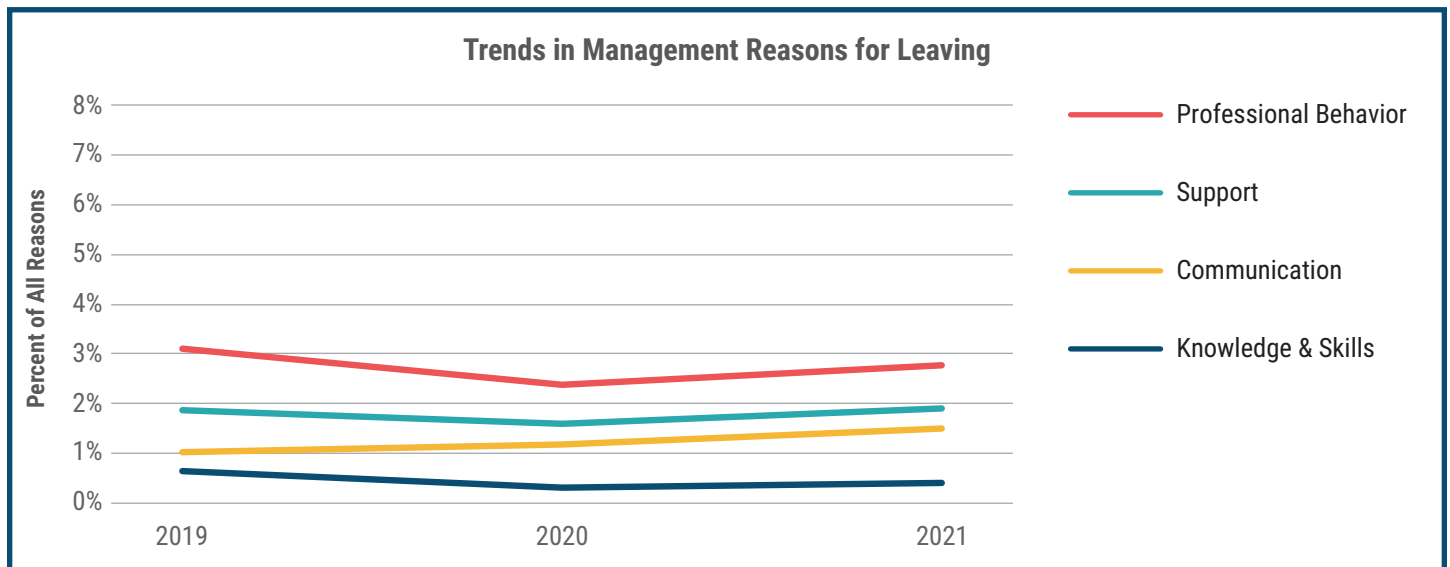
**Organizations must evaluate if they are paying competitively. Be aware of normative and benchmark data, because sometimes Pay is the reason for turnover and sometimes it is not. It is important to find out the real reasons for turnover from current and former employees.**

# REASONS FOR LEAVING: MANAGEMENT

- Communication as a Reason for Leaving steadily increased from 2019 to 2021.
- Professional Behavior, Support, and Knowledge & Skills all decreased from 2019 to 2020 and then began to slowly increase from 2020 to 2021.
- Professional Behavior, Support, and Knowledge & Skills all dropped during the pandemic, but have since risen to pre-pandemic levels.



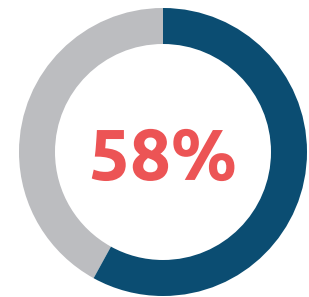
**of those who left due to Manager issues cited Professional Behavior**



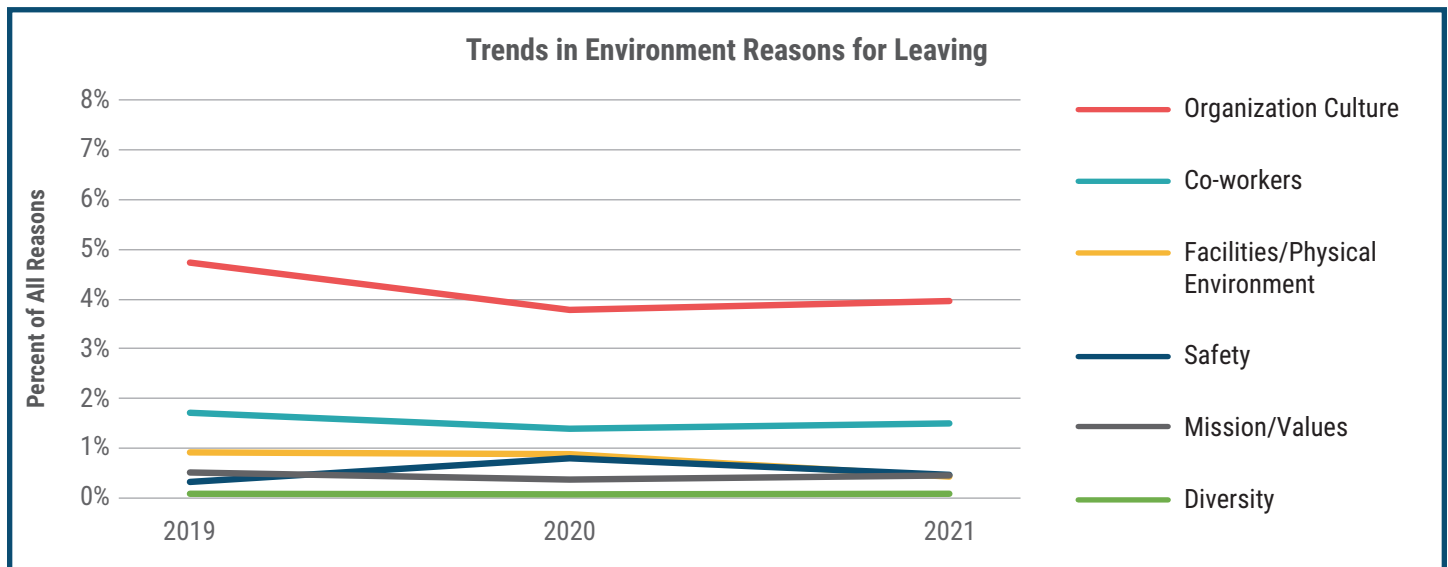
**Predictive Analytics support that Managers are a Core Driver of Retention & Engagement. When employees provide a higher rating of their supervisor, they stay longer with the organization.**

# REASONS FOR LEAVING: ENVIRONMENT

- Organization Culture was cited most often as an Environment Reasons for Leaving between 2019 to 2021. However, the frequency of leaving due to Organization Culture decreased from 2019 to 2020 and only slightly increased from 2020 to 2021.
- Safety as a Reason for Leaving increased in 2020 but decreased in 2021. However, the frequency of Safety as a Reason for Leaving was much higher in 2021 than in 2019.
- Coworkers, Diversity, and Mission/Values Reasons for Leaving remained fairly stable from 2019 to 2021, while Facilities/Physical Environment experienced a significant decrease from 2019 to 2021.



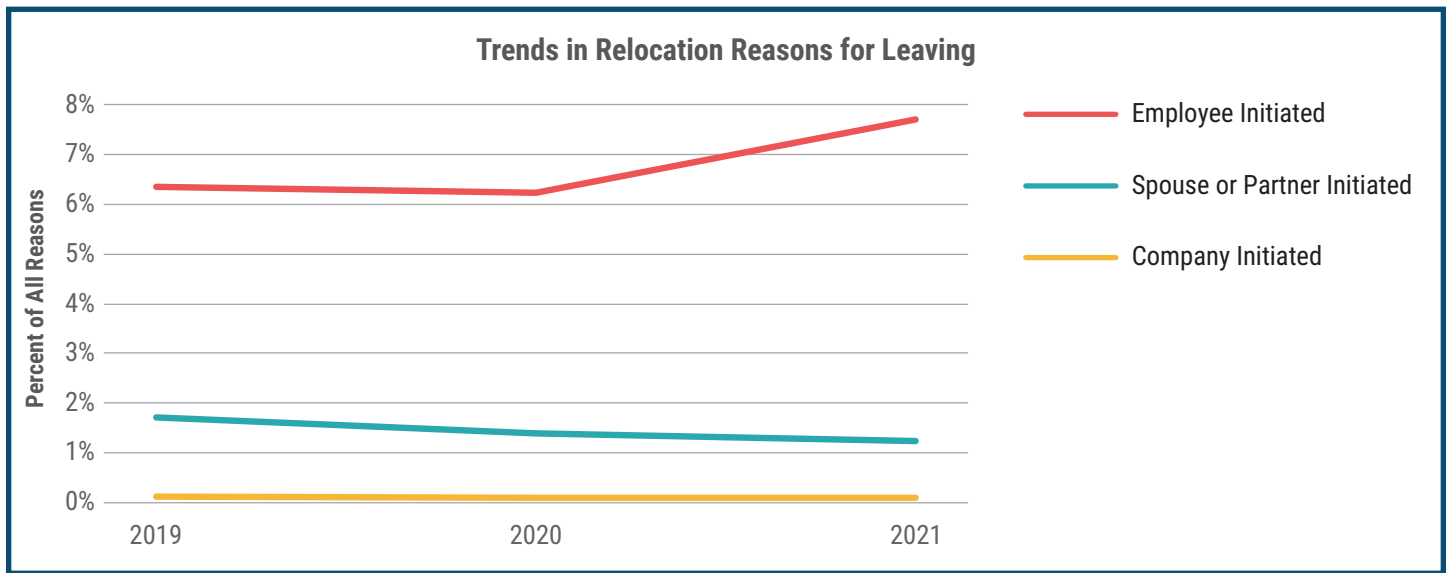
**of those who left due to Environment cited Organization Culture**



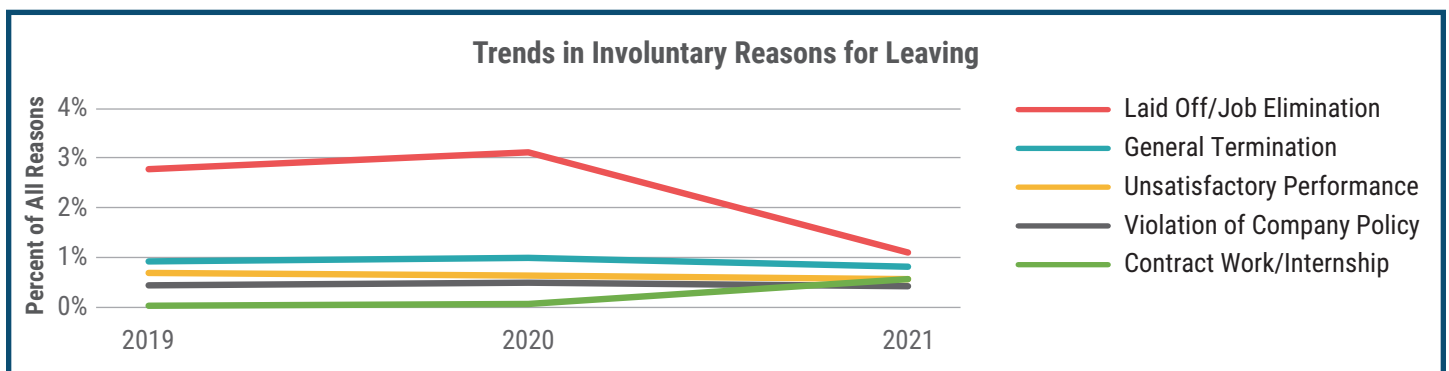
**Organization Culture must be supported by the Mission/Values including support of Diversity efforts. The more coworkers and managers understand Organizational Culture the less likely employees leave.**

# REASONS FOR LEAVING: RELOCATION & INVOLUNTARY

- Employee Initiated Relocation made up 85.5% of all Relocation subthemes and almost a tenth (7.7%) of All Reasons for Leaving. It also experienced an increase in occurrence from 2020 to 2021.
- Interviewees experienced a decrease in leaving due to Spouse or Partner-Initiated Relocation from 2019 to 2021.

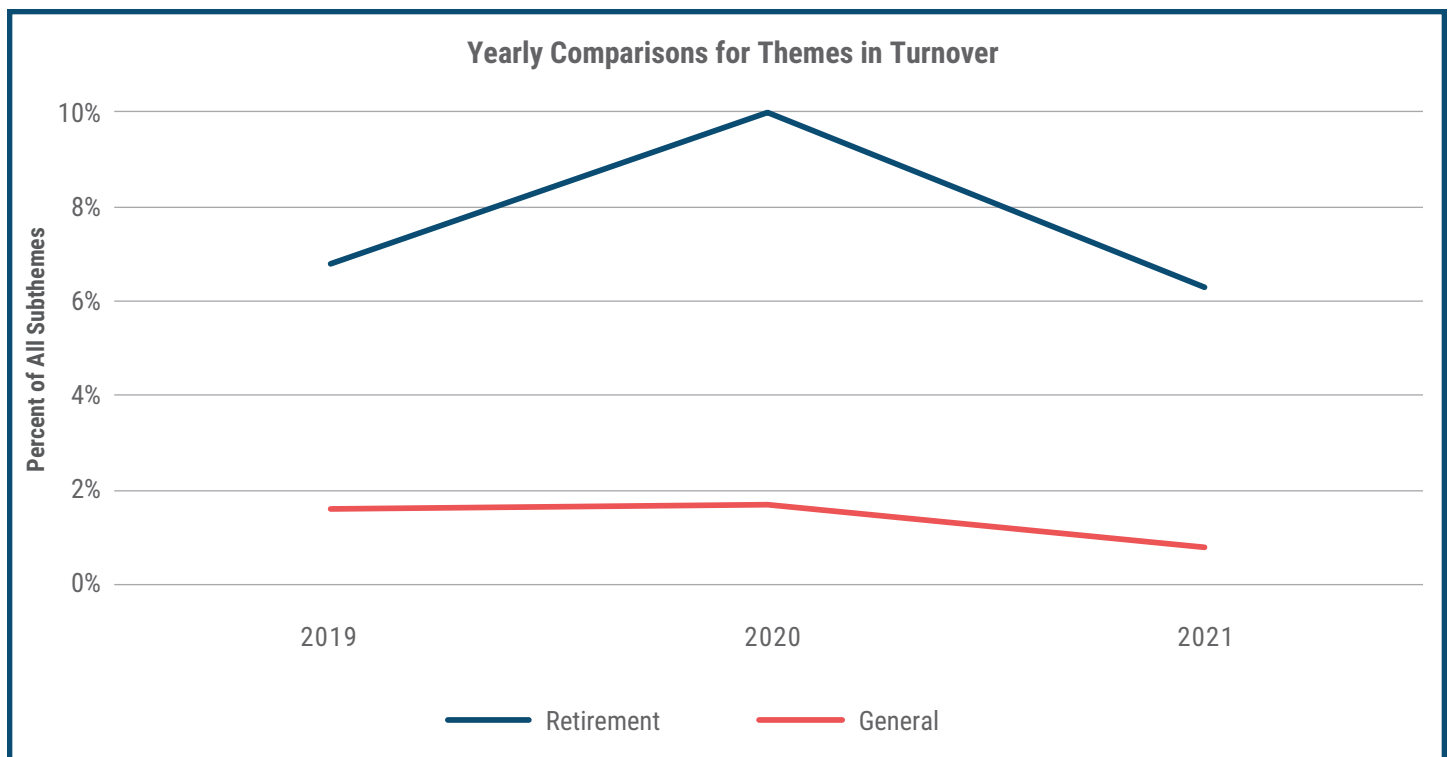


- Contract Work/Internship as a Reason for Leaving increased dramatically from 2019 to 2021.
- Conversely, being Laid Off/Job Elimination decreased dramatically from 2020 to 2021.
- General Termination, Unsatisfactory Performance, and Violation of Company Policy decreased slightly from 2020 to 2021 and began to return to a pattern similar to 2019.



# REASONS FOR LEAVING: GENERAL & RETIREMENT

- Retirement and General Employment do not consist of any additional sub-themes.
- Retirement saw a steep increase from 2019 to 2020 (47.5% change) before decreasing from 2020 to 2021.
- General Employment seems to be a “catch-all category” that allows more survey response data to be salvaged – as opposed to being categorized as “other” and removed from the sample. Not much can be inferred from this subthemes’ data.



# ADDITIONAL INSIGHTS |

Exit Interviews, when done effectively, identify more than just Reasons for Leaving. This additional data should also be acted on to improve retention.

# WHAT ATTRACTS EMPLOYEES TO NEW EMPLOYERS

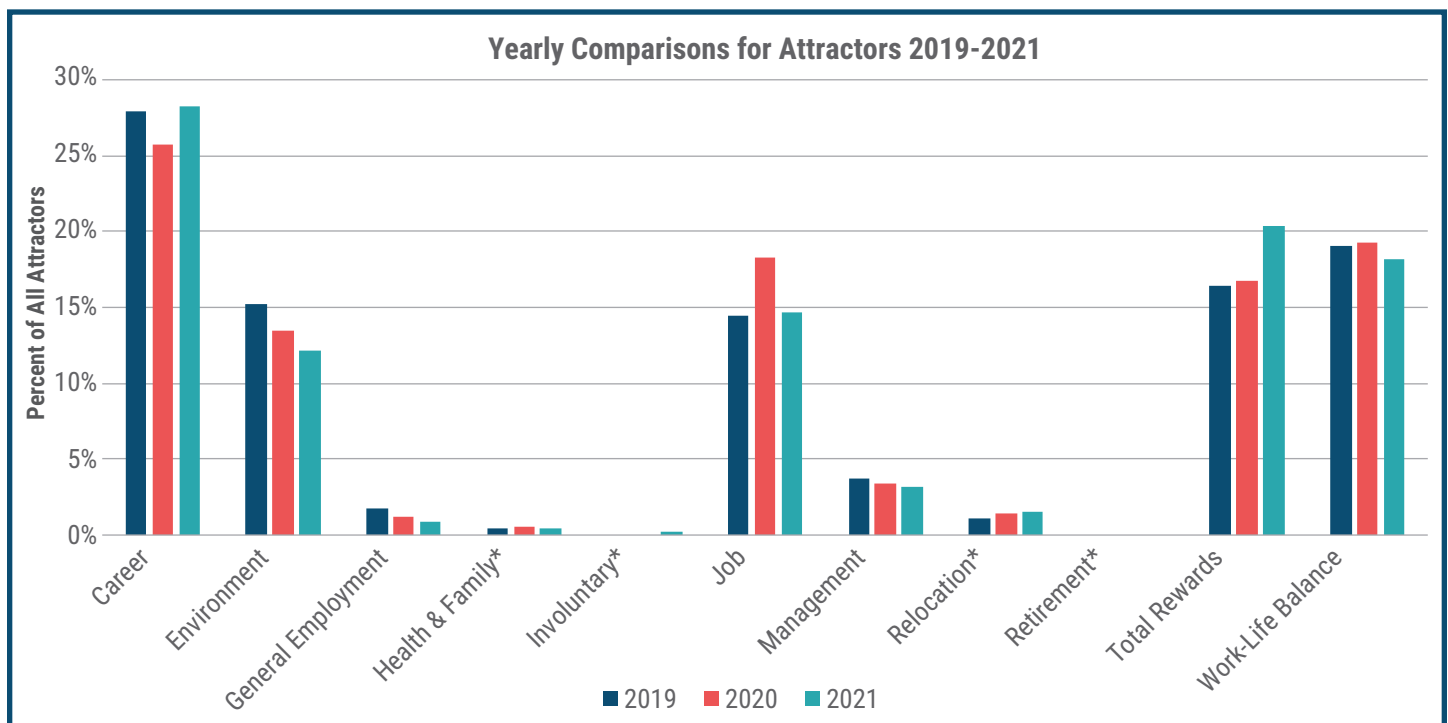
It is important for employers to understand what workplace characteristics attract or in some cases re-attract employees to work for the organization. Work Institute asks former employees during Exit Interviews to identify what attracted them to their new employer.

Responses suggest there are five key attractors to a new employer. Career Factors, the Environment, the Job itself, Work-Life Balance, and Total Rewards.

- Just as it is the number one reason why employees choose to quit their job, Career factors are the number one attractor to a new employer. These Career factors can include Development Opportunities, Promotions, Job Security, or as was the case in 2021, the chance to change Careers.
- In 2021, Total Rewards increased as an attractor. It was the second most important factor following Career reasons. Whereas only one in ten employees cite Total

Rewards as the Most Important Reason for Leaving an employer, two in ten cite Total Rewards as an attractor to a new employer.

- Work-Life Balance focuses primarily on Schedule but is also beginning to reflect the trend of remote work. Employees want flexibility and work-life integration.
- As employees reflected on their jobs during the pandemic, many sought to find jobs that more suited them. This is dissimilar to Career reasons where employees cite issues such as Development, Different Career, or Promotion, Job themes include the Type of Work, Workload Stress, Training, and Availability of Resources.
- Environment, and more specifically Organizational Culture, is important to employees and can serve as an attractor to new employees when highlighted effectively in the hiring process.



# LET'S TALK ABOUT PAY

For most of us the primary reason we have a job is to bring home a paycheck. A simple definition for Pay is the money an employer provides an employee for services rendered. It is no different than any of us paying a plumber, a doctor, or a pet-sitter. Unfortunately, that is where the simplicity ends.

Throughout this Report we have emphasized that Pay is NOT the reason why most employees quit their job. We are not professing that determining what an employee should be paid is simple and that is doesn't matter. Employees certainly care a lot about how much money they make because it is also an expression of the value an employer places on them. Maybe more importantly, employees often see that another employer will pay them more, signaling they place a higher value on them as an employee.

However, our data tells us the employer/employee relationship is much more complex than simply what an employer chooses to pay an employee. Especially in today's environment, employees expect more and the list of expectations is lengthy:

- **Employees expect to be developed. They want to learn and grow in their job.**
- **In many cases, they want to see how their career can progress.**

- **More and more employees want to be able to explore different career paths.**
- **Employees want a certain level of work-life integration.**
- **Employees want an Organization Culture that is supportive, with an emphasis on Mission & Values, and transparent communication.**
- **Employees expect managers and supervisors to understand them as a person, provide support, set clear expectations, and treat them professionally.**
- **Employees want an employer that emphasizes their well-being as a person, that understands the demands of caring for family members.**
- **And YES, employees want to be paid competitively for the work they are do.**

Employee retention is a significant challenge. Thousands of employers attempt to solve their retention problems by increasing pay. Often, there is a short-term improvement in retention and then it begins to decline. Employers' intent on creating an organization where employees will stay for a long time and be engaged focus on more than just a paycheck. They listen to employees and act on their concerns.

**Two in ten employees cite Pay as an attractor to their new employer, but less than one in ten employees cite the root cause of quitting their job as Pay. The question employers should ask is what they should do to keep the 90% who cite other Reasons for Leaving.**



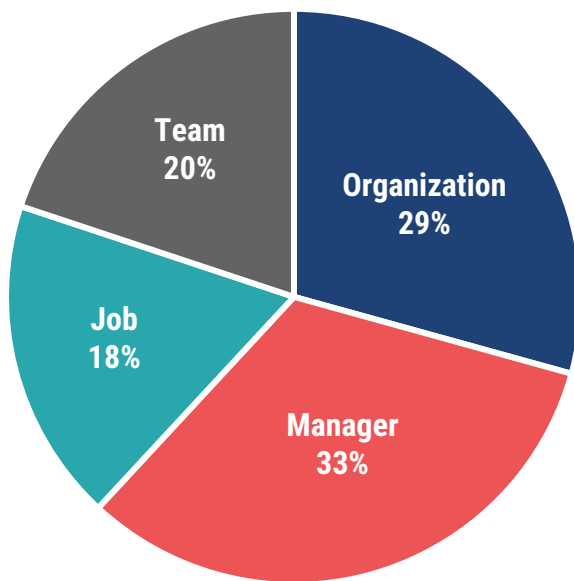
# WHY EXIT INTERVIEW RATINGS MATTER

Most organizations that conduct Exit Interviews primarily focus on the reason an employee chose to leave the organization. This is important information and can be acted on to improve retention.

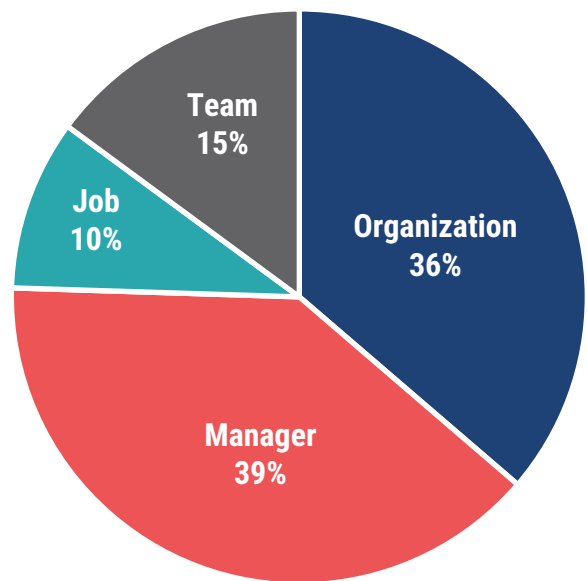
When collected responsibly however, additional information can be used to improve retention. Past Retention Reports have shown how Core Driver Ratings are a predictive analytic. Logic tells us that improving certain Core Driver Ratings decrease the risk of employees leaving for certain categories of Reasons for Leaving. Our research reveals this to be true.

## Percent for Rating Value Segmented by Core Driver

Percent of Positive Ratings



Percent of Negative Ratings



Percent of Rating Given to Each Core Driver				
Core Driver	Organization	Manager	Job	Team
Negative	36.3	39.2	9.6	14.9
Passive	36.4	26.7	20.8	16.0
Positive	29.3	32.6	18.2	19.9

# WHY EXIT INTERVIEW RATINGS MATTER

There is a direct correlation between improving Core Driver ratings for the Organization as an Employer, Manager, and Job.

Many organizations track key driver ratings through tools such as engagement, pulse, or stay surveys. Their objective is often to improve on ratings provided by employees. However, most employers ignore or discount ratings provided by departing/departed employees, which is a mistake. Reasons for Leaving and ratings or Core Drivers of departing employees represent a predictive analytic for current employees that are at risk of leaving.

## ORGANIZATION RATINGS

- An increase in Organization rating is associated with a decrease in the odds of leaving due to the Environment.
- An increase in Organization rating is associated with a decrease in the odds of leaving due to Management.

## MANAGER RATINGS

- An increase in Manager rating is associated with a decrease in the odds of leaving due to the Environment.
- An increase in Manager rating is associated with a decrease in the odds of leaving due to Management.

## TEAM RATINGS

- An increase in Team rating is associated with an increase in the odds of leaving due to Career.
- An increase in Team rating is associated with an increase in the odds of leaving due to Health & Family.
- An increase in Team rating is associated with an increase in the odds of leaving due to the Job.
- An increase in Team rating is associated with an increase in the odds of leaving due to Management.
- An increase in Team rating is associated with an increase in the odds of leaving due to Relocation.
- An increase in Team rating is associated with an increase in the odds of leaving due to the Retirement.
- An increase in Team rating is associated with an increase in the odds of leaving due to Total Rewards.
- An increase in Team rating is associated with an increase in the odds of leaving due to the Work-Life Balance.

## JOB RATINGS

- An increase in Job rating is associated with a decrease in the odds of leaving due to the Job.

# THE WHY'S BEHIND THE RATINGS

Organizations often ask what can be done to improve the ratings of the company by current and former employees. Most survey tools only ask for a general comment related to rating questions and fail to explore the reasons why those ratings are given. Work Institute's mixed method approach to Exit Interviews provides the reasons employees give for their ratings. This allows employers to KNOW what needs to be done to improve employee perceptions and experiences.

## ORGANIZATION MAJOR FINDINGS

- The top four subthemes as a percent of all Organization-related subthemes given, as opposed to reasons for rating themes, are Organization Culture (17.4 % of All Reasons), Co-Workers (11.1%), Communication (9.5%), and Base Pay (7.4%).
- The three subthemes with the largest gains, appearing more frequently now than in 2019, are Characteristics/Type of Work (3,592.5%), Diversity (93.5%), and Child/elder care (77.3%).

## MANAGER MAJOR FINDINGS

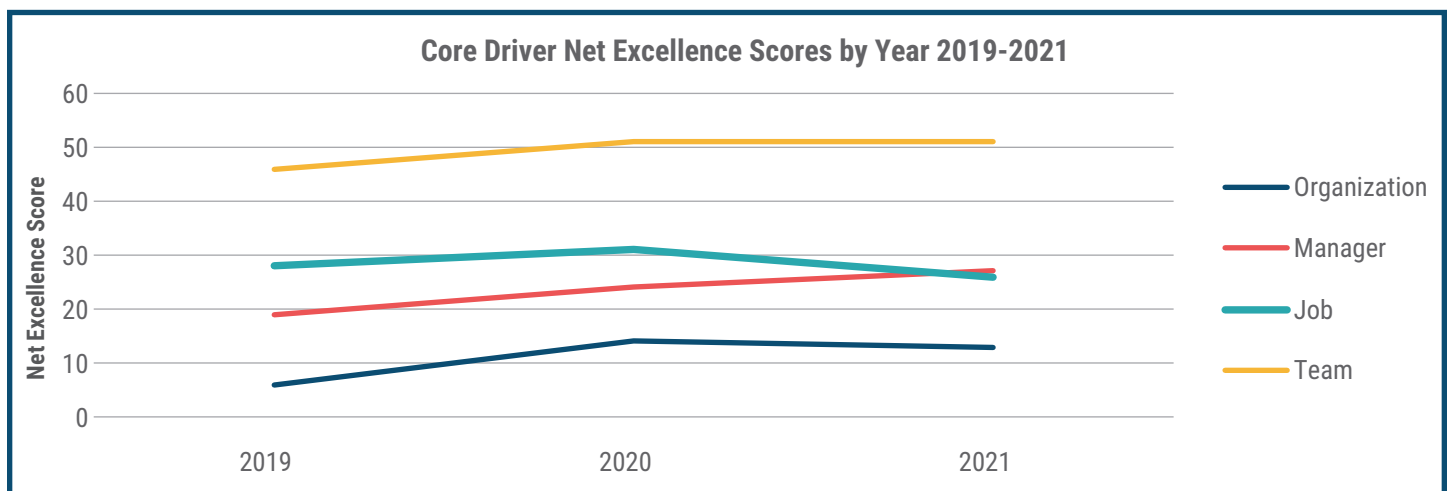
- The top four subthemes as a percent of all Manager-related subthemes given, as opposed to reasons for rating themes, are Helpful & Supportive (20.5% of all reasons), Demeanor & Attitude (15.1%), Leadership Skills (12.9%), and Availability (9.3%).
- The three subthemes with the largest gains, appearing more frequently now than in 2019, are Personal Behavior (376.4%), Work & Performance Feedback (77.3%), and Training (28.3%).

## TEAM MAJOR FINDINGS

- The top four subthemes as a percent of all Team-related subthemes given, as opposed to reasons for rating themes, are Teamwork (32.3% of all reasons), Demeanor & Attitude (17.1%), Helpful & Supportive (17.1%), and Job-Related Knowledge (4.0%).
- The three subthemes with the largest gains, appearing more frequently now than in 2019, are Work & Performance Feedback (108.5%), Training (71.9%), and Mentoring/Guidance (56.3%).

## JOB MAJOR FINDINGS

- The top four subthemes as a percent of all Job-related subthemes given, as opposed to reasons for rating themes, are Characteristics/Type of Work (33.8% of all reasons), Workload/Stress (8.7%), Availability of Resources (7.5%), and Development (6.0%).
- The three subthemes with the largest gains, appearing more frequently now than in 2019, are Diversity (84.9%), Safety (58.5%), and Non-Work-Related Health (54.7%).



# A GLIMPSE OF WHAT'S POSSIBLE

With the onset of a global pandemic, employers appeared to step up in ways that most did not expect. Core Driver ratings measured by Work Institute improved dramatically in Q2 of 2020 compared to Q1 of 2020.

- **Company Net Excellent Scores (NES) increased 50%**
- **Manager NES Scores Increased 34%**
- **Team NES Scores Increased 24%**
- **Job NES Scores Increased 42%**

Unfortunately, that trend was short lived and NES scores began to drop.

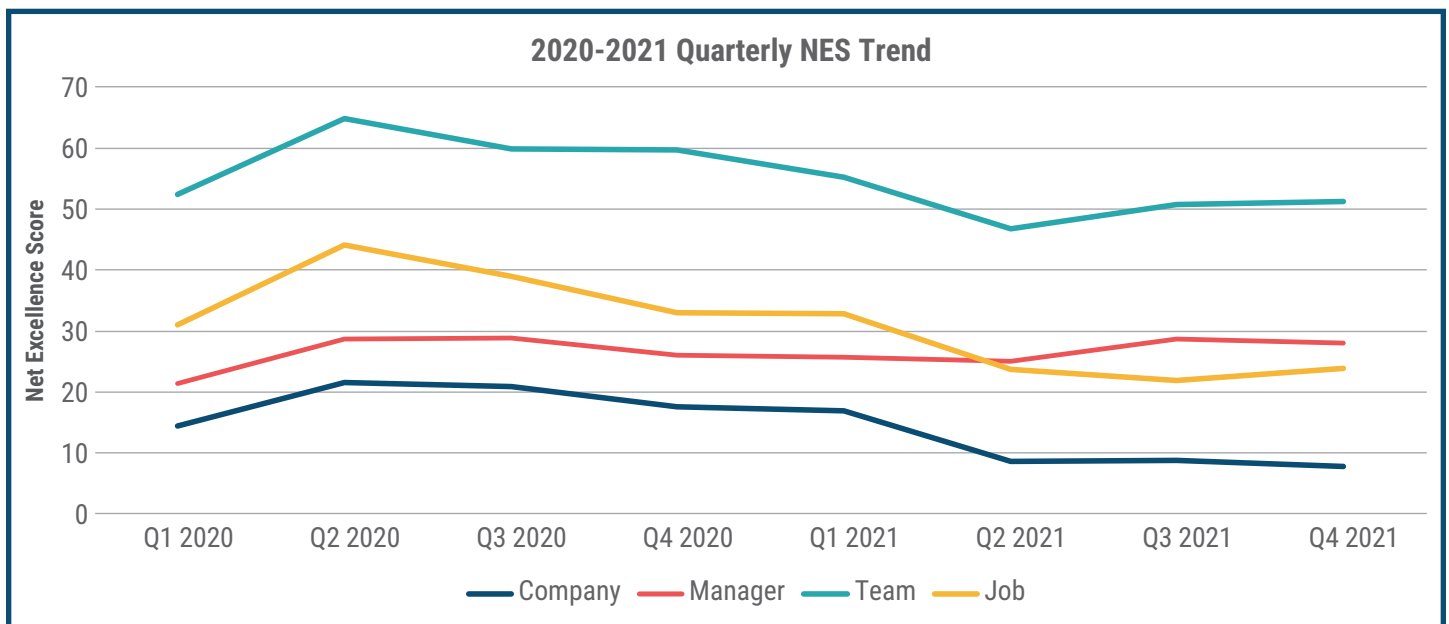
- **Company NES Scores decreased 64%**
- **Manager NES Scores decreased 2%**
- **Team NES Scores decreased 21%**
- **Job NES Scores decreased 46%**

Talking with several organizations, it is clear employee engagement scores improved in 2020 and then trended back down in 2021. The question we are all asking is why. Although there are several theories, Work Institute believes that during the wake of the pandemic employers took extraordinary measures of concern for employees. Employers increased

communication, managers were more available, and expectations for employees were clear.

Employees have high expectations of the organizations they work for, and for a time during extremely difficult conditions, employers showed employees what they were capable of... and then they STOPPED. Leaders describe the difficulties to sustain what was done to engage and retain during the early days of the pandemic. Those levels of care and concern simply disappeared as organizations got back to work and the economy rebounded.

We have shown how voluntary turnover rose to record levels in 2021. Were employees simply ready to move on or did organizations show employees what they could do but were unwilling or unable to keep doing? We believe employers have been the biggest cause of The Great Resignation. Employers went to new heights to engage and retain their employees in the wake of pandemic, but quickly returned to their pre-pandemic ways. Employees took notice of what it could be like working for a preferred employer and went looking for it somewhere else.



# ABOUT WORK INSTITUTE

Established in 2000, Work Institute is the leader in employee retention programs, employee engagement strategies and workplace solutions. Our workplace experts help companies attract & retain talent, improve performance, diminish risk, and manage human capital cost by improving workplace conditions.

Through our commitment to asking the right questions, matching research and analysis to the client's needs, Work Institute provides employers with employee retention and engagement programs that drastically improve overall employee satisfaction, reduce costs, improve retention, and promote profitable growth.

Work Institute's surveys and interviews marry sound scientific methodology with meaningful conversations. Asking the right questions makes a huge difference in the quality of data collected and the insights needed to drive higher employee retention and engagement.

Work Institute is the leading authority in workforce intelligence and retention. Utilizing evidence-based research methods that capture "the why" behind employee thoughts, feelings, and behaviors, Work Institute helps organizations improve employee engagement, performance, and retention.

Work Institute provides employee research, consulting, action planning, development courses, and evaluations of organizations of all sizes including many Fortune 500 clients across multiple industries and geographies.



**Retention & Engagement Solutions, Simplified**

# ABOUT THE DATA & AUTHORS

## DANNY NELMS, MBA

Danny Nelms is the CEO of Work Institute and the co-author of *The Why Factor: Winning with Workforce Intelligence* and *EmployER Engagement: The Fresh and Dissenting Voice of the Employment Relationship*. His twenty-five years of experience have given him the ability to influence corporate climates and human capital initiatives in areas including organizational improvement and effectiveness, leadership development, performance expectation, talent acquisition, executive coaching, succession planning, and mergers and acquisitions. Mr. Nelms earned his MBA at the Massey College of Business at Belmont University.

## SARAH TUCKER

Sarah is a Human Capital Consultant at FMP Consulting where she assists federal agencies in finding strategic solutions to organizational and employee needs. She currently works with teams to provide

performance management, organization assessment, and onboarding support. While collaborating with Work Institute, Sarah applied skills in data analysis and interpretation to help develop an understanding of current retention trends. She graduated from Middle Tennessee State University with a Master of Arts in Industrial Organizational Psychology and was the sole recipient of the Outstanding I-O Psychology Graduate Student Willard A. Kerr Award of Excellence.

## GLENN SPINNER

Glenn is the Director of Technology and Product Innovation at Work Institute where he has worked since 2017. In his role in Client Success, Glenn focuses his time working with clients to help them better understand their employee feedback data to help create custom solutions. Glenn also works with our developers to ensure our clients have the best tools, technologies, and solutions available. If it involves helping our clients

become better employers, Glenn is involved. Before joining Work Institute, Glenn worked as a recording engineer and teacher which helped him learn to be a valued team member with outstanding problem-solving and communication skills.

## WILLIAM MAHAN


William is the Director of Marketing and Lead Generation for Work Institute where he has focused on inbound and outbound marketing efforts since 2010 including lead generation, content development, SEO, advertising, website management, and customer relationship management. William's experience and knowledge in content development and leadership development give him the tools necessary to help create and promote the annual Retention Report. William received his Bachelor of Arts with a focus on Management & Leadership and Human Resources from Trevecca Nazarene University in Nashville, TN.

## ABOUT THE DATA

Work Institute's dataset includes employee Reasons for Leaving and their ratings for the Four Core Drivers of Engagement & Retention (Organization, Manager, Job, and Team), as well as what attracts workers to a different company. The data cleanse includes, but was not limited to:

- Recoding interviewee demographic information into a standardized format
- Recoding missing data
- Re-categorizing client industry and job title
- Categorizations of interviewee age according to previously established WI standards
- Categorizations of interviewee length of service
- Recoding the most important reasons and sub-reasons for leaving into a standardized format
- Categorizations of ratings for the core drivers
- Recoding attractor themes into a standardized format
- Coding covid-19-related terms in reasons for leaving text response data
- Categorizing covid-19-related responses in reasons for leaving text response data
- Assigning numeric values to ratings for the core drivers (1 = poor, 2 = fair, 3 = good, 4 = very good, 5 = excellent); (-1 = negative, 0 = passive, 1 = positive)
- Changing core driver labels and variable properties

After the data cleaning process, there were 97,784 interviewees with 45 variables.

A blurred, black and white photograph of four people in business attire standing in a line, possibly in a meeting or conference room. The background shows large windows with a grid pattern. The image is intentionally out of focus to create a sense of a busy, professional environment.

**Effectively listening to employees reveals the necessary improvements to win the war for talent and stem the impacts of the Great Resignation.**



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