

Turnover 'Tsunami' Expected Once Pandemic Ends

Studies show as many as half of workers intend to look for a new job this year

By Roy Maurer

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More than half of employees surveyed in North America plan to look for a new job in 2021, according to a new report, while separate research shows that a quarter of workers plan to quit their jobs outright once the COVID-19 pandemic subsides and recruiting efforts ramp up.

Employers were experiencing high rates of turnover prior to the economic shutdown (www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/workers-are-quitting-jobs-record-numbers.aspx) triggered by the pandemic last spring, but since then, quit rates reached their lowest level in nine years. Retention and turnover experts now predict voluntary job-leaving will increase significantly in 2021 as employees resume job searches they put off for the past year.

"There is absolutely pent-up turnover demand in the U.S. workforce," said Danny Nelms, president of The Work Institute, a research and consulting firm in Franklin, Tenn., focused on employee engagement and retention. "Just prior to the pandemic, you had about 3.5 million people leaving their jobs monthly, then that dropped to 1.9 million in April 2020. The projected number for December is 3.3 million, so we're already seeing a substantial return of voluntary turnover. It's only going to increase."

Nelms said that 2021 will see less labor force participation and unemployment and more job openings, which "will lead to the same supply and demand issues we had before the pandemic, putting an emphasis on recruiting and fueling voluntary turnover."

Reasons for Job Hopping

Respondents gave a variety of reasons for wanting to move on to new opportunities, including disengagement and burnout (www.shrm.org/hr-today/news/hr-news/pages/remote-workers-experiencing-burnout.aspx), as well as the typical career-oriented contributing factors like wanting a promotion or raise.

Better compensation and benefits (35 percent) and better work/life balance (25 percent) are the top two reasons why employees would leave their current job, according to research commissioned by the Achievers Workforce Institute, the research arm of Achievers, an employee recognition software company in Toronto. The institute surveyed 2,000 employed adults in February, finding that 52 percent are looking for a new job, up from 35 percent a year earlier.

The study also found that 46 percent of respondents feel less connected to their company, and 42 percent say company culture has diminished since the start of the pandemic. Just 21 percent said they are very engaged at work.

"Through the pandemic, some companies have lost mainstays of employee engagement such as focusing on work/life balance, enacting change following employee feedback, driving recognition and fostering company culture," said Natalie Baumgartner, chief workforce scientist at Achievers. "As remote work becomes a more permanent fixture of our lives even beyond the pandemic, it's important that employers are addressing these areas of concern in an effort to increase engagement and reduce turnover."

Burnout was cited by a majority of the respondents who said they plan to quit their job this year. The survey of 1,000 workers was conducted in November 2020 by Eagle Hill Consulting, a Washington, D.C.-based management consulting firm.

"Company leaders are still knee-deep dealing with the pandemic, but they have to look ahead to fend off a talent tsunami," said Melissa Jezior, president and CEO of Eagle Hill Consulting. "Our poll reveals that 57 percent of U.S. employees say they are burnt out. Both Millennials and women report higher levels of burnout, as do employees with kids remote learning at home. Leaving is often viewed as the best option for employees to address burnout. And when the economy and labor markets get healthier, some employees may feel they have no other choice."

While remote work may lead to more flexibility, that flexibility may not translate to better work/life balance—as employees may be working more (www.shrm.org/hr-today/news/hr-news/pages/remote-employees-are-working-longer-than-before.aspx), Baumgartner said.

"More than half of employees who are currently working from home worry their manager doubts their productivity," she said. "To compensate, more than 2 in 5 employees are starting their workdays earlier or working later, and more than a third are skipping lunch breaks in an effort to show productivity to managers."

The many new opportunities to work remotely and relocate to a more desirable place to live is another reason why people are looking to make a job switch in the wake of the pandemic.

But the historic career reasons for turnover—higher pay, a promotion, more development, a career pivot—are still the top reasons for leaving a job, Nelms said. "Other than that, this year we saw increases in retirements and reasons related to health and family," he said. "More people are deciding to exit the workforce altogether by retiring, and you have the health and family issues related to COVID-19, from kids learning at home, to caregiving for high-risk family members to feeling personally at risk of exposure to the virus."

Advice for Employers

Jezior advised companies to embrace the idea that business strategy and workforce planning will look different post-pandemic and to get started on identifying the talent, skills and roles that will be necessary to prosper once the health crisis passes. "There is a knee-jerk reaction that often happens when managing turnover," she said. "Companies default to backfilling roles with the same skills. But bouncing forward means identifying and cultivating new skills through upskilling, reskilling and in hiring practices."

Other recommendations for stemming the expected tide of turnover include:

- Keeping top performers engaged. "Companies should identify and engage high performers for obvious reasons—and because studies show they are the most susceptible to burnout," Jezior said. "To help A players feel valued and excited about staying with them, companies should focus on their career growth, offer stretch exposure and exclusive training, and be more transparent about career progression and compensation."
- Recognizing employees. The Achievers report found that 74 percent of employees want more recognition for their work. "Training managers on effective recognition and holding them accountable for recognizing their teams regularly is critical to keeping employees engaged," Baumgartner said.
- Listening to employees. "During this crisis, companies have had to do a lot of talking to employees about everything from policy changes to the logistics of remote work," Jezior said. "But it is equally important to listen to them. By conducting employee surveys, encouraging open-door exchanges, and providing career counseling and mentorship opportunities, companies can create a supportive environment."
- Conducting external stay interviews to better understand turnover risk. Nelms explained that conversations between managers and employees often fail to reveal underlying turnover risk because the employee doesn't trust the manager with that information. "Stay interviews conducted by third parties, where the employee feels more able to be authentic in their responses, express truer risk factors related to why employees would consider leaving," he said.

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