

Surviving THE Great Resignation

Among U.S. workers who are actively searching for a job, or plan to:





SURVIVING THE GREAT RESIGNATION

Amid Workforce Churn, Business Leaders Must Build a More Competitive Employee Experience

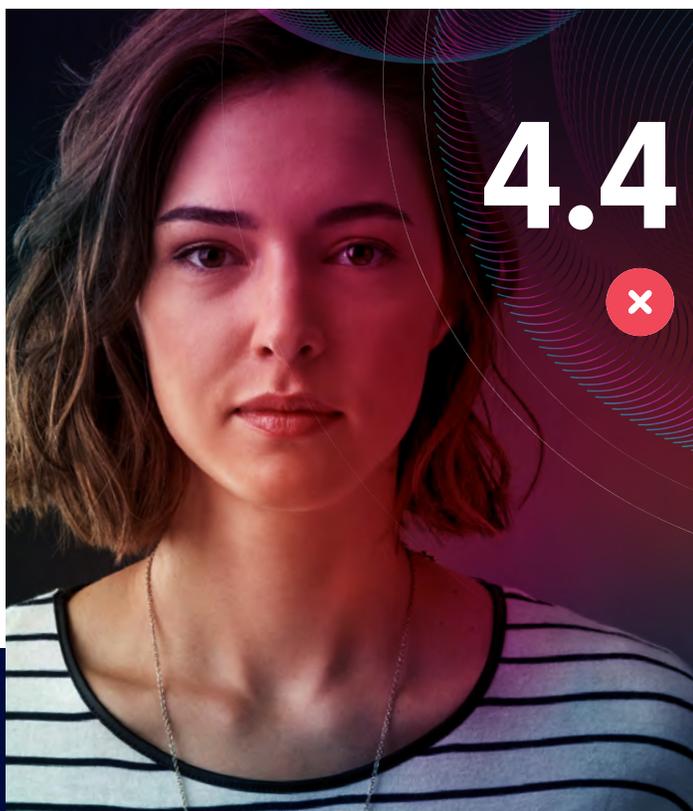
During the first months of the COVID-19 pandemic, many employers were forced to lay off or furlough workers. During this unpredictable time, many of the remaining employees clung to their jobs rather than search for opportunities elsewhere.

Today, more than **3 in 5 (62%)** U.S. workers who are actively searching for a job or plan to agree that earlier in the pandemic, job security outweighed their desire to leave their current job. **Almost half (45%)** stayed at their current job longer than they wanted to because of the pandemic.

The picture is much different now. Many employers are now bemoaning labor shortages and experiencing a wave of voluntary departures and resignations in what many are calling the Great Resignation.

Facing Facts

About the Labor Shortage



ACCORDING TO THE
U.S. BUREAU OF LABOR STATISTICS

4.4 Million

Americans QUIT Their Jobs

IN SEPTEMBER 2021¹

Nearly everyone knows or has heard of someone who has quit their job in the last few months or is actively searching for a new job. From a data standpoint, not only have many employees stated that they're searching for a new job, but employers have also noticed higher turnover than usual. Employers must address this as a priority because high turnover comes at the high cost of slower innovation and growth, and it drives disengagement among remaining employees.

The Society for Human Resource Management (SHRM) surveyed U.S. workers, business executives and HR professionals to get a snapshot of current turnover—and its causes and effects.

¹ https://www.bls.gov/news.release/archives/jolts_11122021.pdf



— ALEXANDER ALONSO,
PHD, SHRM-SCP,
Chief Knowledge
Officer at SHRM

Organizations Are Struggling to Find the Right Candidates

Almost half (49%) of U.S. executives say their organization has seen higher or much higher turnover than usual in the past six months, and an overwhelming majority (93%) have had open positions during that period—positions that are taking longer to fill than they did before the pandemic, according to 84% of executives.

In fact, according to the U.S. Bureau of Labor Statistics, 7.7 million Americans were unemployed in September 2021,² yet there were 10.4 million job openings at that time.³



7 in 10 (71%) executives are seeing less qualified people applying for jobs compared to before the pandemic.

“Almost 2 Years since the pandemic began, the supply and demand of labor is still out of balance in some industries. There are a record number of job openings right now, yet many organizations are struggling to fill these roles, citing less qualified candidates as one of the contributing factors.”

² https://www.bls.gov/news.release/archives/empsit_10082021.pdf

³ https://www.bls.gov/news.release/archives/jolts_11122021.pdf

The Young and the Restless Are Moving On

Over 2 in 5 (41%) workers say they are actively searching for a new job or plan to in the next few months. One-third of those workers began actively searching within the previous month, and more than one-third (36%) said they would ideally leave their current job as soon as possible. Over 2 in 5 (41%) active job seekers would leave in the next few months.

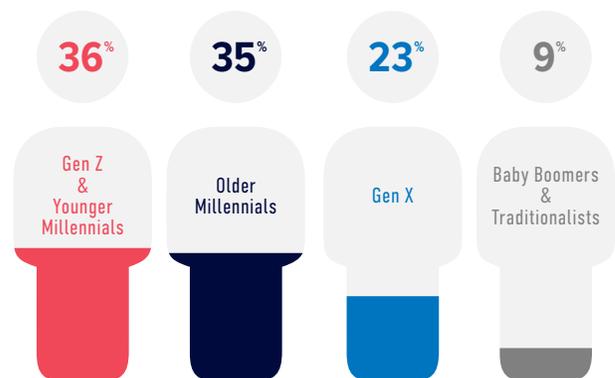
Diversity, equity and inclusion (DE&I) leaders take note: More than twice as many Black or African-American workers (45%) and many more Hispanic or Latino workers (39%) are actively searching for new jobs than white or Caucasian workers (22%).

Men are on the move more than women: Male workers (34%) are more likely to say they're actively searching for new jobs than female workers (24%).

Industry also makes a difference. U.S. workers in professional, scientific and technical services (32%) and in administrative and support/other services (35%) are more likely to say they're actively searching for a new job than workers in other industries.

Gen Z & Younger Millennials⁴ & Older Millennials

are more likely to say they are actively searching for a new job right now than



Gen X or Baby Boomers & Traditionalists

⁴ Members of Generation Z and younger Millennials are ages 18-29, older Millennials are ages 30-40, members of Generation X are ages 41-56, and Baby Boomers and Traditionalists are ages 57 and older.



Why Are So Many Workers Resigning ?

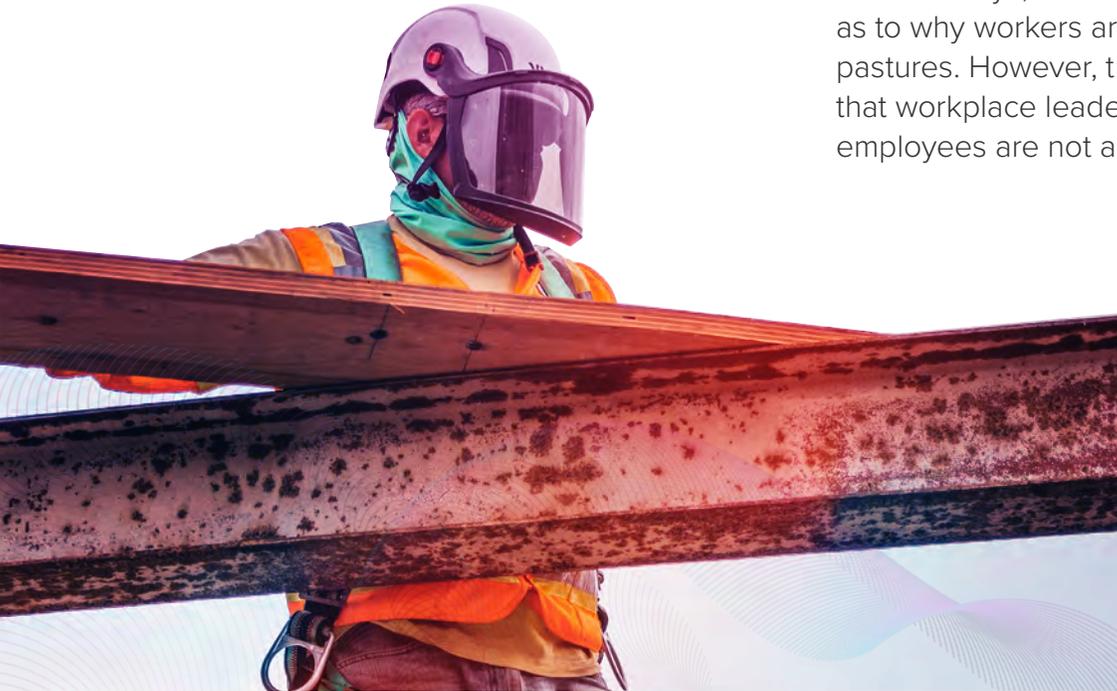
That Depends On Who You Ask.

When a global skills shortage meets a global pandemic, it becomes even more critical for leaders to revisit and reset their strategies to attract and retain the best talent.

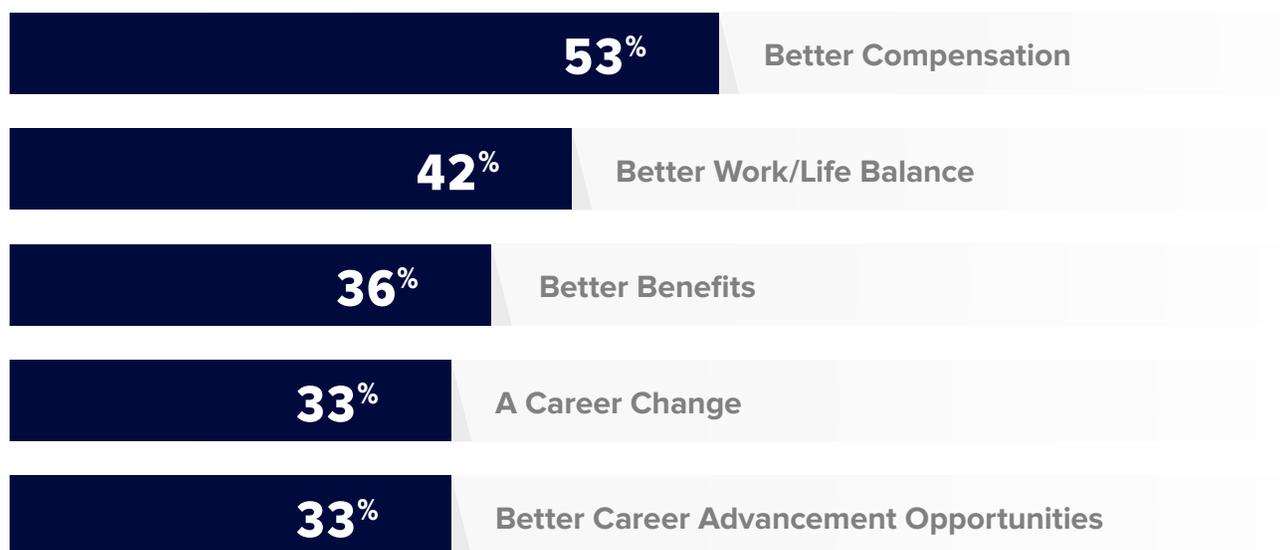
The first step is understanding the real reasons why employees are leaving. We found that the top reasons why workers are actively searching for new jobs include a desire for better compensation (53%), a better work/life balance (42%) and better benefits (36%).

Why Are So Many Workers Resigning?

In some ways, business leaders are aligned as to why workers are looking for greener pastures. However, the research also shows that workplace leaders and departing employees are not always on the same page.



Why are workers looking for new jobs?



Why do executives think workers are looking for new jobs?



For example, 26% of executives believe their employees left because they were uncomfortable in the workplace due to COVID-19. But only 5% of employees said that was a reason why they're searching for a new job.

Similarly, 26% of executives believe their employees left to relocate somewhere with a lower cost of living, whereas only 6% of employees said that was a reason why they were searching for a new job.

Executives are more likely to say that employees leave for better career opportunities and benefits. However, among the U.S. workers we surveyed, it was better compensation that most often prompted a new job search, followed by better work/life balance—which didn't even make the top five reasons cited by executives.

Often, what's happening at home can prompt the desire for a job change—or conversely, keep workers in place.

U.S. workers without caregiving responsibilities (39%) are much more likely to say they're searching for a new job for better career advancement opportunities than caregivers (26%).

Size of the organization matters, too:⁵

Workers at extra-large organizations (40%) are more likely to say they're searching for a new job because they want better career advancement opportunities than those in small (31%), medium (31%) or large (30%) organizations.

⁵ Small organizations are 1-99 employees, medium organizations are 100-499 employees, large organizations are 500-4,999 employees, and extra-large organizations are 5,000 or more employees.

Reasons Vary by Generation

A circular graphic with a dark blue background and a white border. The number '40%' is written in white in the center. The border has a small white dot at the bottom right.

40%

Younger Millennials and members of Generation Z (40%) are more likely than older Millennials (34%) and members of Generation X (29%) to say they're searching for a new job for better benefits.

Older Millennials (60%) and members of Generation X (57%) are more likely than younger Millennials and members of Generation Z (46%) to say they're searching for a new job for better compensation.

A circular graphic with a purple background and a white border. The number '60%' is written in white in the center. The border has a small white dot at the bottom left.

60%

A circular graphic with a red background and a white border. The number '41%' is written in white in the center. The border has a small white dot at the bottom right.

41%

Younger Millennials and members of Generation Z (41%) are more likely than older Millennials (31%) and members of Generation X (28%) to say they're searching for a new job because they want a career change.



The Domino Effect of Employee Resignation



55%

More than Half

of U.S. workers say they've had colleagues voluntarily leave their organization within the past six months.

Overwork, Isolation, More Departures

This has created a domino effect of sorts, leading many employees to consider their options elsewhere as more work is piled on them and they feel the effects of loneliness or isolation. Of the U.S. workers who have had a colleague leave their organization, 42% agree they've thought about leaving their job more often than they did before their colleague left.

Much of the narrative around the Great Resignation has focused on the reasons and feelings of those who leave or want to leave their current workplace. But the negative impact on those who stay behind is important for workplace leaders to understand and address, as well.

Since Their Colleagues Left . . .

52%

Have had to take on more work and responsibilities.

30%

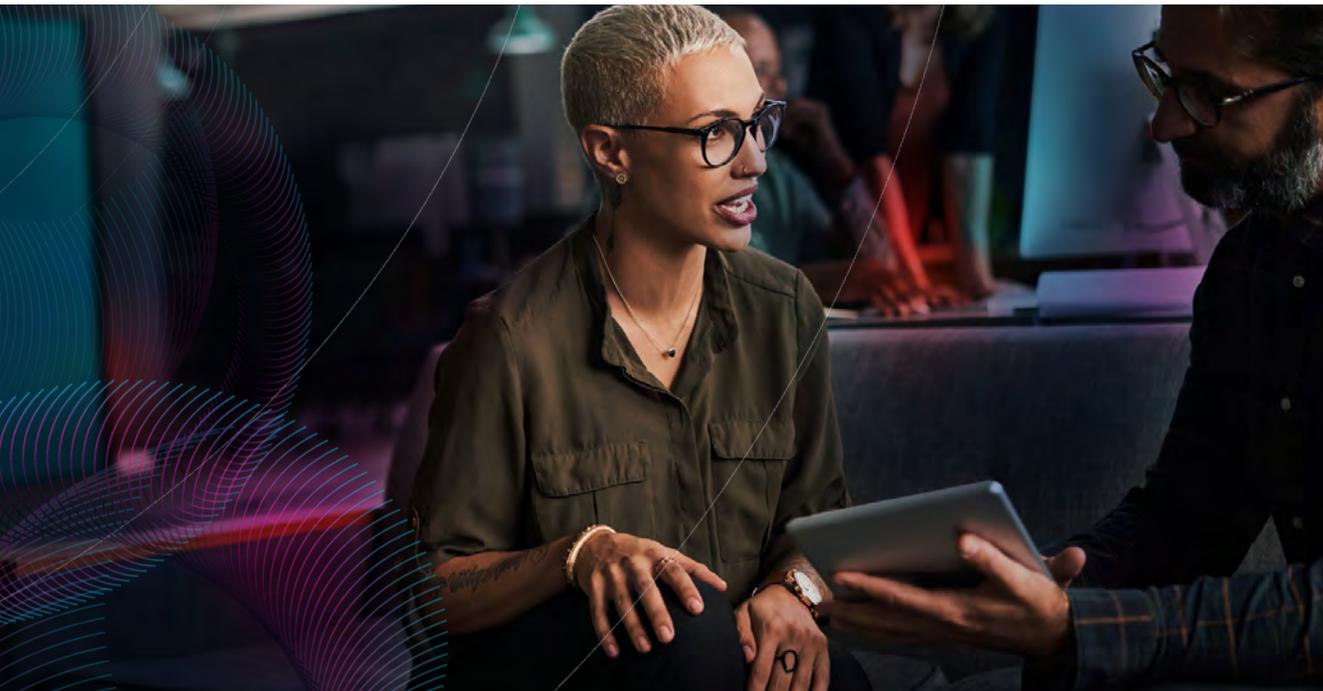
Say that necessary work is not getting done.

28%

Feel more lonely or isolated while at work.

27%

Feel less loyalty toward their organization.



Younger workers are especially likely to feel negatively when their colleagues leave.



I'm thinking about leaving:

Since their colleagues left, younger Millennials and members of Generation Z (50%), older Millennials (49%), and members of Generation X (42%) are more likely to think about **leaving their job** more often than Baby Boomers and Traditionalists (21%).



I feel alone:

Since their colleagues left, younger Millennials and members of Generation Z (35%), older Millennials (30%), and members of Generation X (29%) are more likely to feel more **lonely or isolated** while at work than Baby Boomers and Traditionalists (13%).



I feel less loyal:

Since their colleagues left, younger Millennials and members of Generation Z (28%), older Millennials (35%), and members of Generation X (27%) are more likely to **feel less loyalty** toward their organization than Baby Boomers and Traditionalists (14%).



I think I'm underpaid:

Since their colleagues left, younger Millennials and members of Generation Z (63%) and older Millennials (64%) are more likely to **wonder if their pay is high enough** than members of Generation X (51%) and Baby Boomers and Traditionalists (36%).

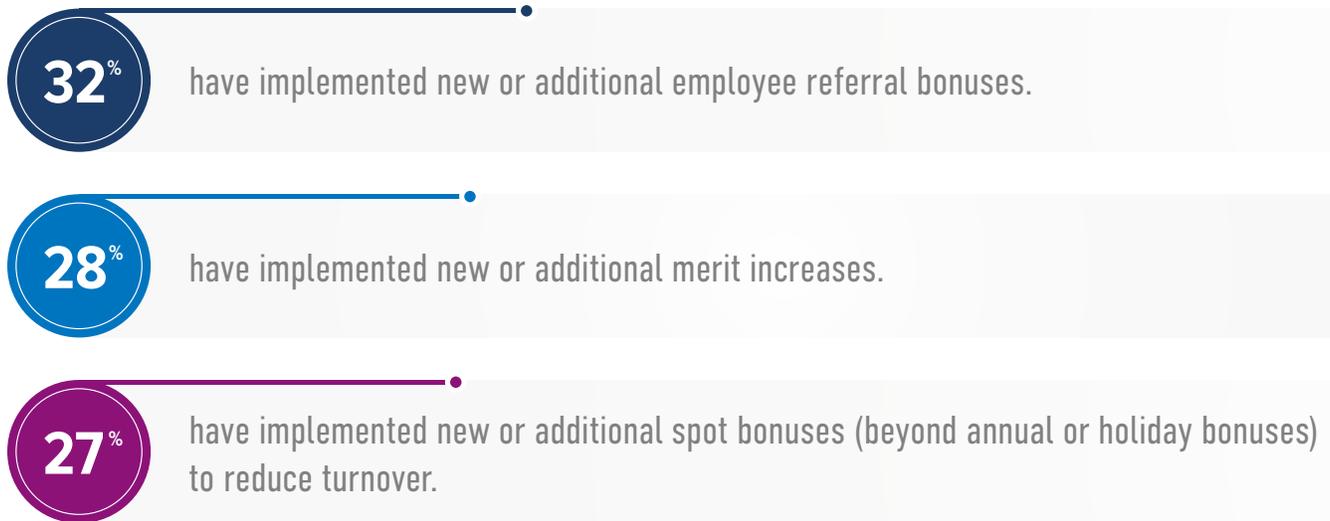


There's a better job for me:

Since their colleagues left, younger Millennials and members of Generation Z (60%) and older Millennials (57%) are more likely to have **realized there are better job opportunities** out there for them than members of Generation X (51%) and Baby Boomers and Traditionalists (37%).

How Are Organizations Responding?

Many organizations are using various recruitment and retention strategies, particularly monetary ones. Among HR professionals who said their organization has seen higher or much higher turnover in the past six months:⁶



Nearly 3 in 5 (58%) HR professionals⁷ indicate that their organization is offering higher starting salaries or wages than they did last year (beyond normal yearly increases). Of those organizations, 59% are offering between 1% and 5% higher salaries/wages, and 32% are offering between 6% and 10% higher salaries/wages. Almost 1 in 5 (18%) say they are making more counteroffers to employees who resign or say they have received another offer.

Yet, there is still a significant portion of these organizations (23%) that have not done anything to reduce turnover.⁶



Over half (57%) of HR professionals⁵ from the manufacturing industry said they have implemented new or additional employee referral bonuses to reduce turnover.



Nearly two-thirds (64%) of HR professionals⁶ from the professional, scientific and technical services industry said they have implemented new or additional remote work or flexible scheduling options to reduce turnover.

⁶ HR professionals surveyed through SHRM membership from July 6, 2021, through July 21, 2021.

⁷ HR professionals surveyed through SHRM membership from Aug. 31, 2021, through Sept. 7, 2021.

What Else Can HR Do?

1. Consider [prioritizing or expanding benefits that are more likely to impact retention](#). Be more innovative. Organizations are using a variety of retention strategies, especially ones that make the most sense for their industry. For example, remote work or flexible scheduling options are not feasible in all industries.
2. [Set workers up for success](#) by establishing clear, motivational paths to promotions and creating custom career plans. Many U.S. workers are searching for better career advancement opportunities.
3. [Train and encourage people managers](#) to provide high-potential employees with stretch assignments aligned to the organization's desired competencies.
4. Review your [total rewards strategy](#) to ensure you are offering competitive packages.

What Can Executives Do?

1. Engage with your [executive peer network](#) on this topic to share ideas, best practices, experiences and advice.
2. Be an [empathetic leader](#). Empathy is the ability to feel or understand another person's experiences or situation from that person's frame of reference, and to be sensitive to their feelings based on those experiences. It can be demonstrated in many ways, such as actively listening to others, ensuring others are included in conversations and activities, being open to new experiences, and hearing differing viewpoints.
3. Strengthen HR. Strong HR teams offer stability and keep workplace cultures on track to drive business goals and help retain invaluable talent. Working together, HR professionals, executives and people managers need to sustain the positive culture shifts cultivated during the pandemic and utilize findings to improve processes in case another crisis arises.



METHODOLOGY

A sample of 200 executives were surveyed using a third-party online panel. The survey was administered July 2 to July 8, 2021. For the purposes of this survey, we refer to “executives” as those who are working as a paid employee for an organization with 50 or more employees, supervise at least one employee, and hold a Vice President role or above.

A sample of 1,150 U.S. workers were surveyed using a third-party online panel. The survey was administered July 2 to July 8, 2021. For the purposes of this survey, we refer to “U.S. workers” as those who are working as a paid employee.

A sample of 1,187 employed HR professionals were surveyed through SHRM membership from July 6 through July 21, 2021, and a sample of 1,034 employed HR professionals were surveyed through SHRM membership from Aug. 31 through Sept. 7, 2021. Only HR professionals who were currently employed (either remotely, in person, or through a hybrid model) were eligible to participate in this survey.

3,571 Surveyed



200

Executives



1,150

U.S. Workers



2,221

HR Prof.