

Talent Retention Report 2023

5th Annual Edition





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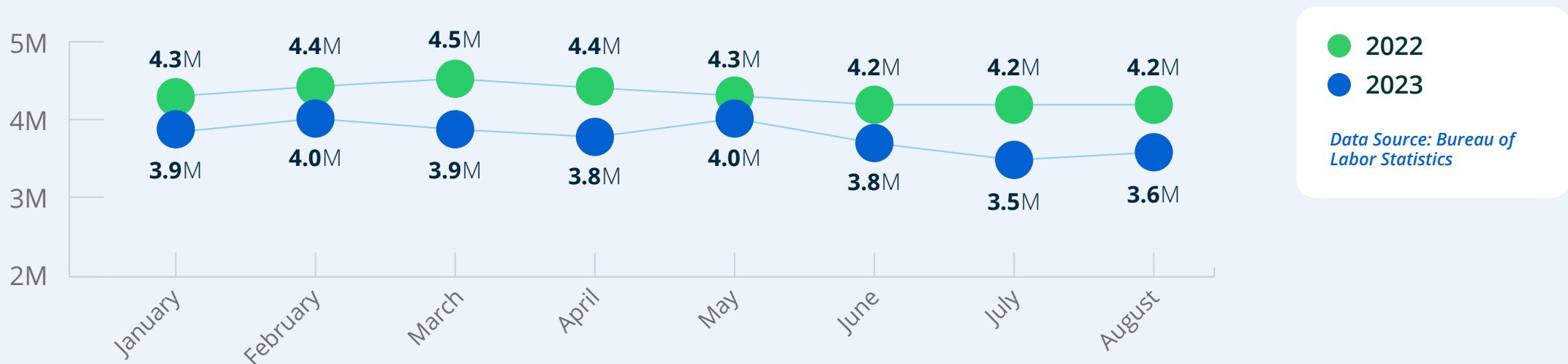
Despite signs of a weakening economy, the U.S. job market has held strong in 2023. With **9.6 million job openings** at the end of August, job seekers continue to enjoy the freedom to test the waters of new opportunities. Although the volume of voluntary quits has not reached the levels of 2022's Great Resignation (Figure 1), employees are not hesitating to turn in their two weeks' notice when the right career move arises.

iHire set out to investigate the extent of employee turnover in 2023, surveying **3,710** job seekers and **405** employers from **57** industries across the U.S. Our **5th Annual Talent Retention Report** details the survey findings, with insights into the following:

- How prevalent is employee turnover?
- Why are workers leaving their jobs? What's motivating them to stay?
- Is job satisfaction rising or declining?
- What are employers doing to keep top talent aboard?
- What retention trends do employers anticipate in the coming months?

Voluntary Quits By Month

Figure 1





Of the 3,710 job seekers who responded to our survey, 48.5% were currently employed (Figure 2). Out of that group, nearly half (48.9%) have been with their employer less than two years (Figure 3).

Are you currently employed?

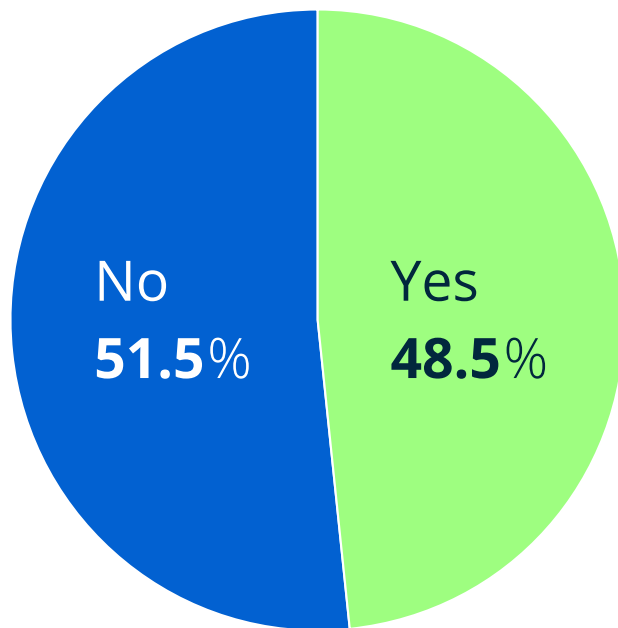


Figure 2

How long have you been with your current employer?

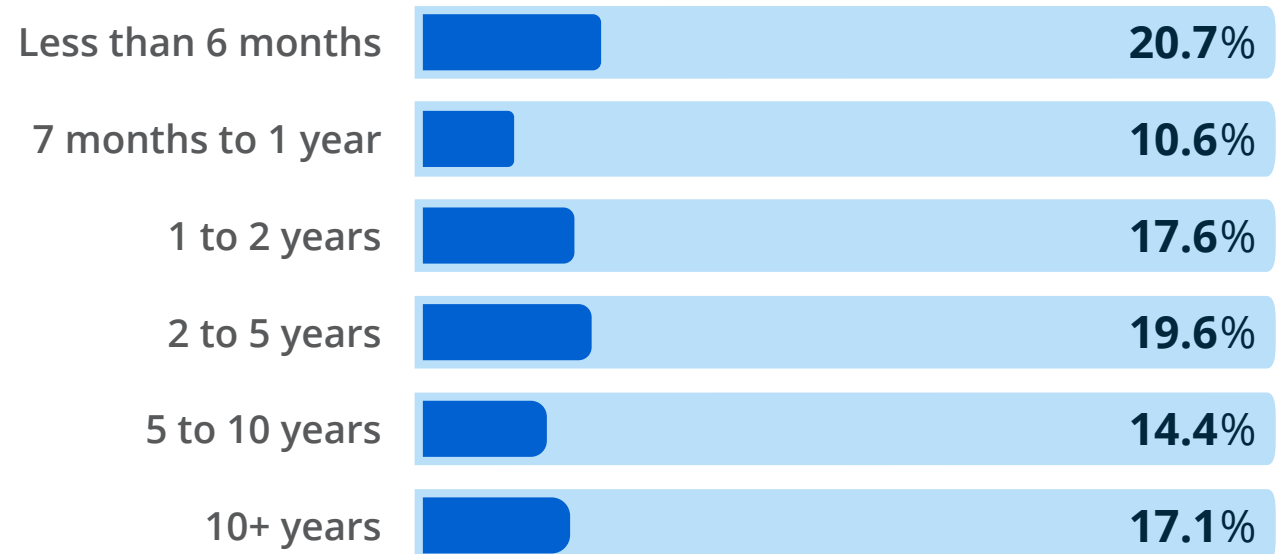


Figure 3

Voluntary Quits



Voluntary quits were relatively steady year-over-year – 43.3% of respondents quit a job in the past 12 months, compared to 41.2% who said the same in 2022 (Figure 4).

Have you left a job voluntarily in the past year?

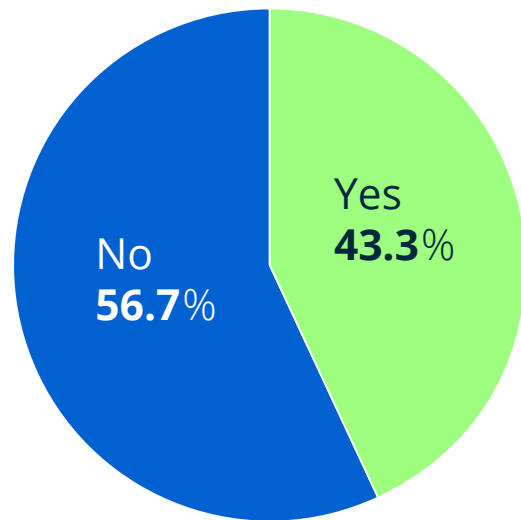


Figure 4

Employers also reported steady turnover rates from 2022 to 2023: 85.9% said they had experienced turnover in the past year, while 89.9% said the same in 2022's survey (Figure 5).

Have you experienced any employee turnover in the past year?

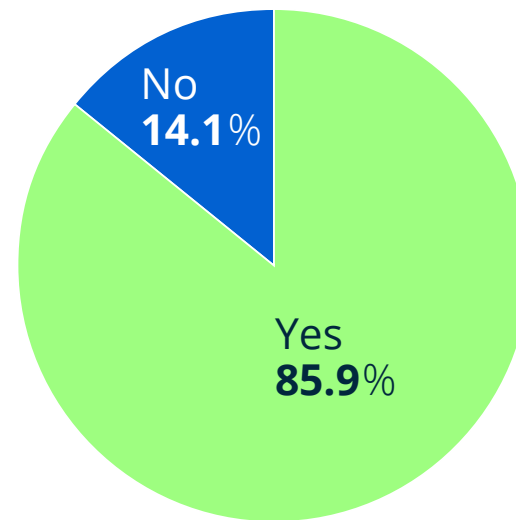


Figure 5

Of those employers who experienced turnover, 73.3% said all or most was due to voluntary quits (74.5% said the same in 2022) (Figure 6).

How much turnover was due to voluntary quits or resignations vs. layoffs or terminations?

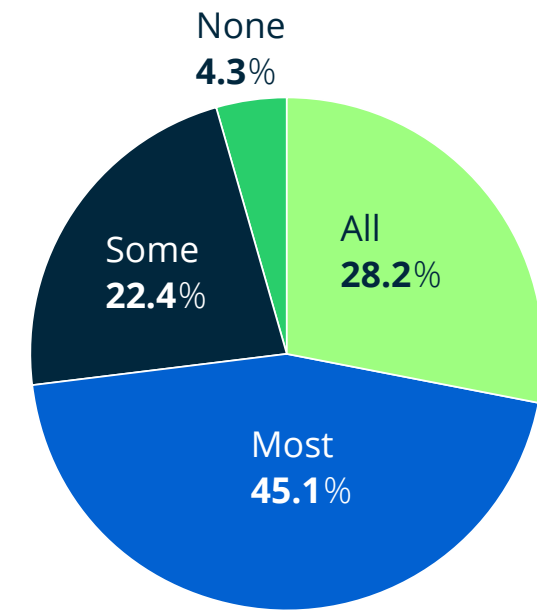


Figure 6

Job Satisfaction



Despite the slight increase in voluntary quits, job seeker survey respondents expressed greater job satisfaction in 2023 compared to 2022 (Figure 7). This year, 25.2% were “very satisfied” with their current or most recent job (15.3% in 2022), bringing the percentage of workers who were satisfied to 56.3% – a 16.3% year-over-year increase.

Think about your current or most recent job. Rate your level of job satisfaction (how happy you are/were with that job):

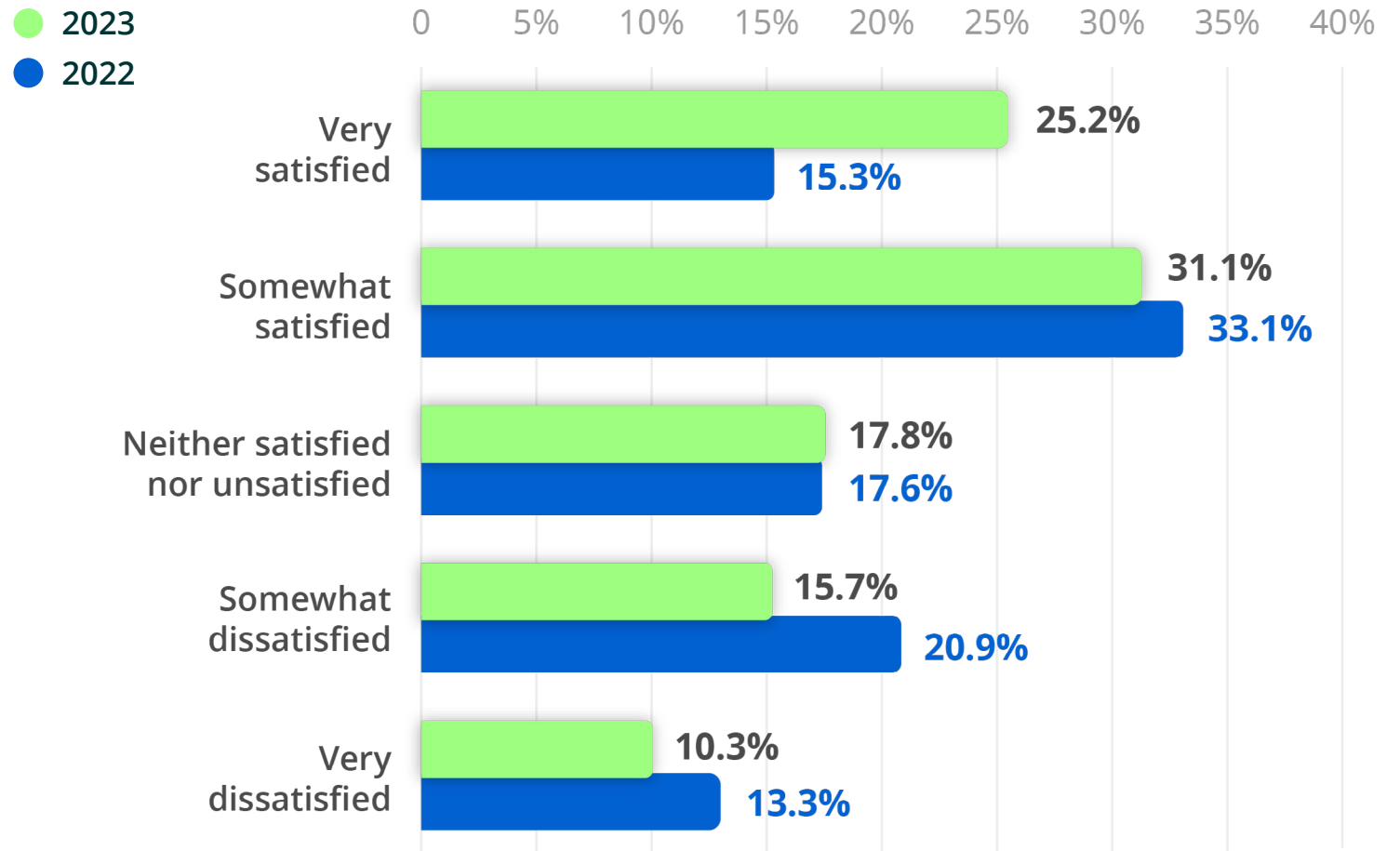


Figure 7

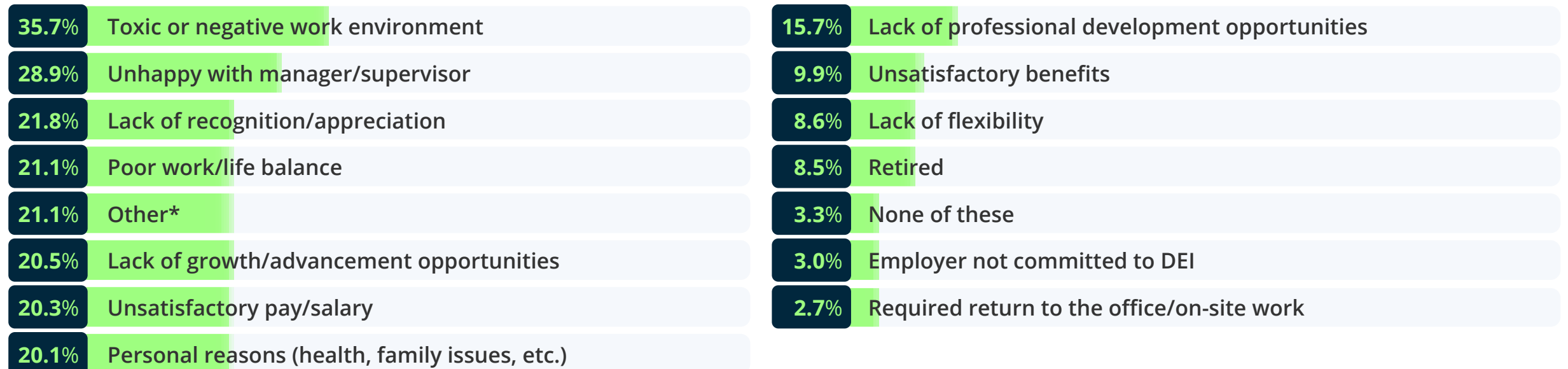
Reasons for Leaving



Surprisingly, the most popular reasons behind resignations were not related to compensation (Figure 8). Of the 43.3% of respondents who quit a job in the past year, 35.7% left because of a toxic or negative work environment, and 28.9% quit due to unhappiness with their manager or supervisor. Just 20.3% left due to unsatisfactory pay, down from 43.4% who said the same in 2022's survey.

Why did you leave your last job voluntarily? (Select all that apply.)

Figure 8



*Sample other responses: Health, burnout, company closed, hours cut, contract ended, moved/relocated.

In the past year...

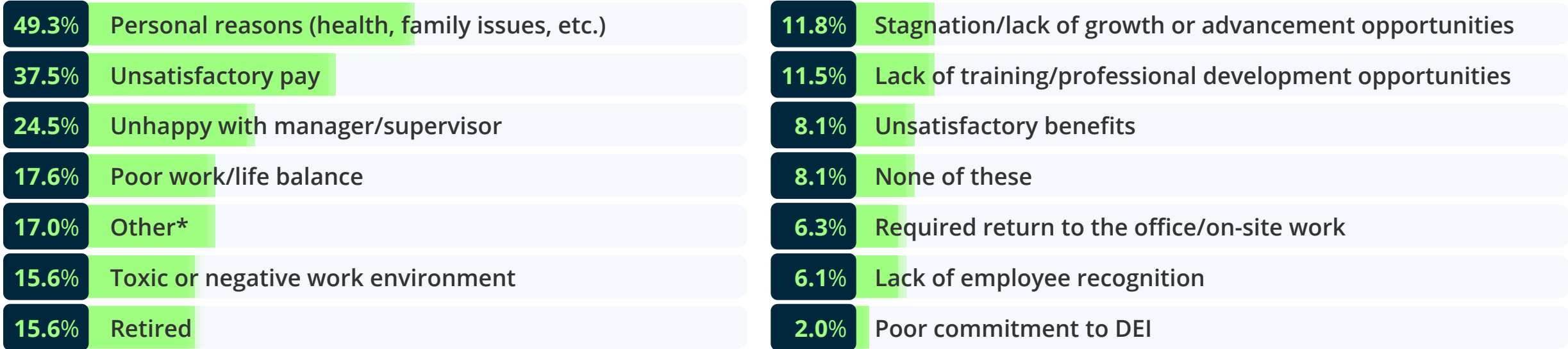
- 5.6%** of employees quit a job without giving two weeks' notice.
- 6.0%** left a role for a job with a lower salary.
- 17.9%** searched for a new job while "on the clock" at their current job.
- 18.4%** quit before having a new job lined up.



Although employees said their work environment was a prime driver for quitting, employer respondents said the most common reasons associates have given for resigning this past year were personal reasons (49.3%) and unsatisfactory pay (37.5%) (Figure 9).

Aside from “I found a new job elsewhere,” what reasons have your employees given for leaving their jobs in the past year? (Select all that apply.)

Figure 9



*Sample other responses: Long commute, going back to school, moved/relocated.

Reasons for Staying



As we've done in past years, we asked workers to think about their current or most recent job and imagine they were offered a better job at a different company. What could their employer offer to keep them from accepting the other job?

A pay raise topped the list (53.3%), followed by flexibility (29.4%) and clear growth and advancement opportunities (28.6%) (Figure 10). These three responses echoed 2022's most popular answers, although 71.8% selected pay raise in 2022, and growth and advancement opportunities (38.0%) ranked above flexibility (36.4%).

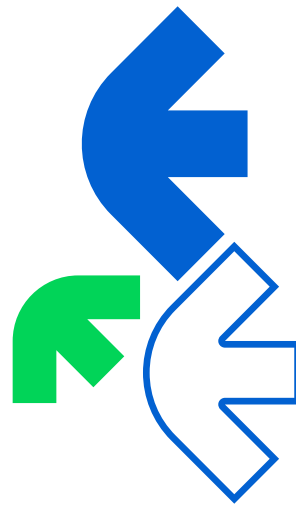
9.2%
of workers decided to stay with their current employer after receiving an offer elsewhere.

Which of the following could your employer offer to convince you to stay? (Select all that apply.)

Figure 10



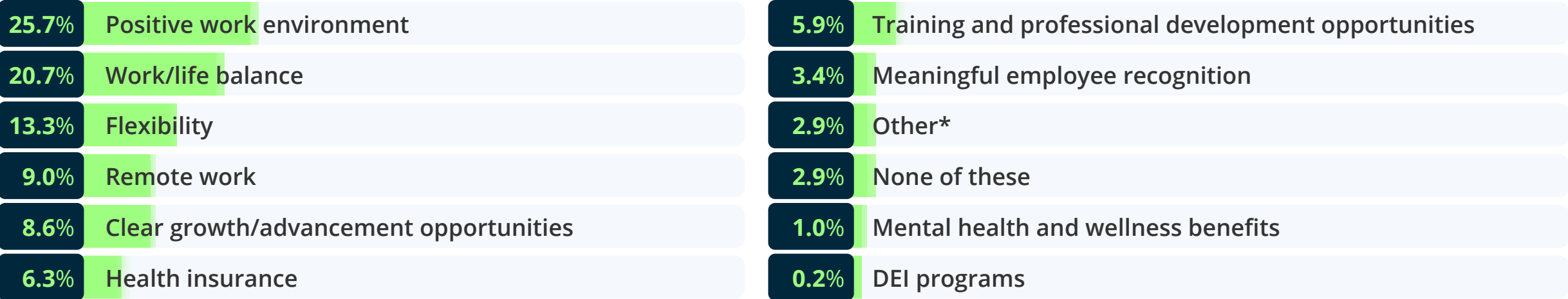
*Sample other responses: More PTO, job stability/security, hybrid work options, more hours, respect, less of a workload, reasonable expectations.



Next, we asked employees to select the single most important factor – aside from pay – that influences their decision to stay with their employer. 25.7% said a positive work environment (reflecting the top reason respondents gave for quitting their jobs), and 20.7% said a better work/life balance (Figure 11).

Besides pay, which of the following is most important to you when choosing to stay with an employer regardless of whether you're offered a better job elsewhere?

Figure 11



*Sample other responses: Accountability, better benefits/insurance, job stability, vacation time.

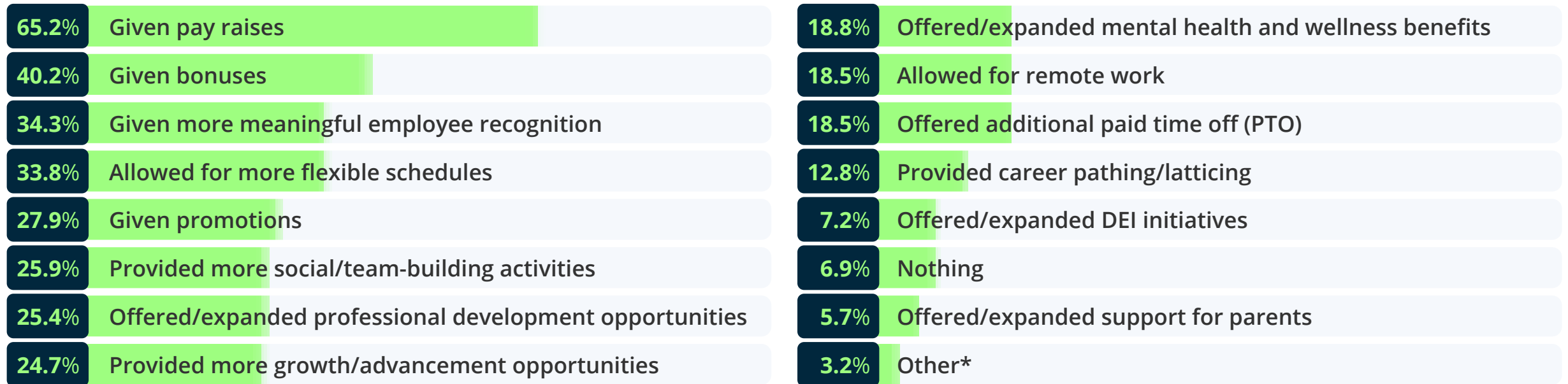
Retention Efforts



Employers continued to up the ante in an attempt to keep top talent aboard in 2023. Most notably, 65.2% gave raises and 40.2% gave bonuses in the past year to improve retention (Figure 12).

What have you done in the past year to help improve retention?
(Select all that apply.)

Figure 12



*Sample other responses: Changed management, added a 401(k) plan, introduced a retention rewards program.

In the past year...

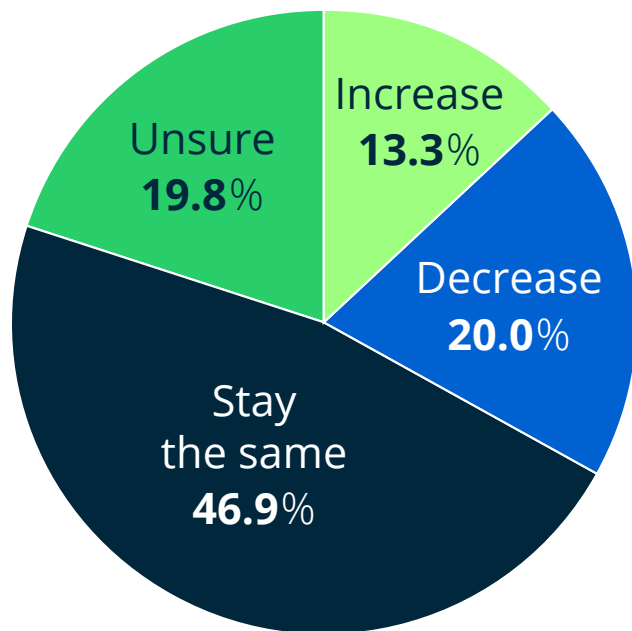
- 37.0%** of employers lost productivity due to turnover.
- 23.7%** experienced a decline in employee engagement.
- 17.9%** conducted “stay” interviews (asked existing staff why they choose to remain with them).



What's next for talent retention? The good news is that just 13.3% of employers expect turnover to increase in the next three months, but 46.9% think it will stay the same (Figure 13).

In the next 3 months, I expect turnover at my organization to:

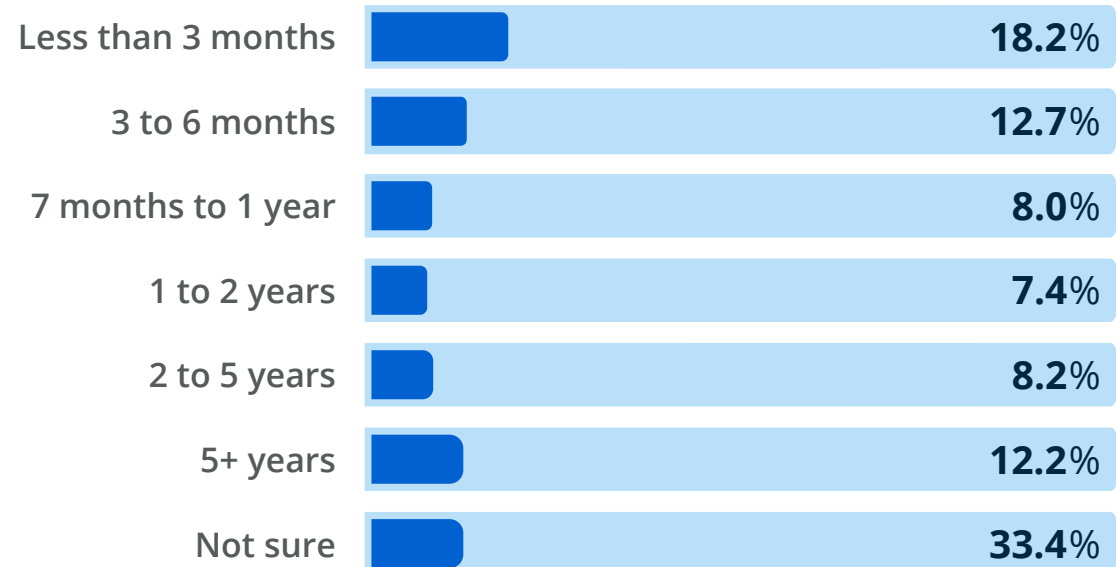
Figure 13



But what are employees saying? Of the respondents who were employed, 38.9% expected to stay at their job less than one year. However, 33.4% of respondents were simply unsure how much longer they plan to stick around in their role (Figure 14).

How much longer do you expect to stay with your current employer?

Figure 14





To wrap up our 2023 Talent Retention Report, the following are the 10 most intriguing data points, trends, and takeaways from this year's survey.

01

Voluntary resignations have remained steady despite the easing “Great Resignation.” 43.4% of employees surveyed quit a job in the past 12 months, compared to 41.2% who said the same in 2022 – a 5.3% year-over-year increase. Additionally, 73.3% of employers who experienced turnover this year said all or most of it was due to voluntary quits.

02

Job satisfaction is climbing. 25.2% of workers were very satisfied with their current or most recent job, a 64.7% increase from 2022. Further, 56.3% were either very or somewhat satisfied with their jobs, suggesting a 16.3% year-over-year uptick in overall job satisfaction.

03

A positive work environment trumps compensation. The top reasons workers left their jobs in 2023 revolved around the employee experience – 35.7% left due to a toxic or negative work environment (the No. 1 reason for quitting), while unsatisfactory pay ranked only 7th on the list of reasons (20.3%). Similarly, when employees were asked to identify the single most important factor aside from pay influencing their decision to stay with an employer, a positive work environment topped the list of responses (25.7%).



04

Flexibility is key in ensuring employee happiness. Flexibility and work/life balance were recurring themes throughout this survey. Employees ranked flexible scheduling second (29.4%) to only a pay raise when it came to indicating what their employers could offer to convince them from accepting another job. Meanwhile, 21.4% of workers quit their jobs due to a poor work/life balance.

05

Employers foresee little change in turnover rates in the coming months. Although just 13.3% of employers expect turnover at their organization to increase in the next three months, 46.9% of employers believe it will stay the same. 20.0% think resignations will decrease, and 19.8% were unsure.

06

Employees are either uncertain of their next career move... or are already eyeing the exit. The majority of employed respondents fell into two categories: those who expect to leave their current job within a year (38.9%) and those who are unsure how much longer they will stay with their employer (33.4%).

07

Workers are resigning on the basis of "personal reasons," according to employers. Nearly half (49.3%) of exiting employees told their employer they resigned due to personal reasons (aside from "I found a job elsewhere"). This suggests workers are keeping their motivations for leaving vague or not being entirely truthful, as just 20.1% of departing employees cited personal reasons as their motive for leaving when answering our survey.

08

Employers haven't hesitated to up the ante amid economic uncertainty. 65.2% of employers gave raises to improve retention rates in the past year, and 40.2% gave bonuses. Many have also delivered on workers' non-monetary wants, offering more meaningful recognition (34.3%), allowing for flexible schedules (33.8%), and expanding professional development opportunities (25.4%).

09

Convincing an employee to stay is easier said than done. Just 9.2% workers said they decided to stay with their current employer after receiving an offer elsewhere. Therefore, the possibility of a new and better opportunity often outweighs an employer's efforts to retain talent.

10

Career pathing can improve retention. 1 in 5 employees left a job because of a lack of growth and advancement opportunities, and 28.6% said they would hypothetically stay with an employer if offered these opportunities. While 25.4% of employers said they expanded such offerings in an effort to keep staff aboard, organizations who invest in their team's development can prevent stagnation, raise engagement, and improve retention.



Conclusion



The Great Resignation may be over according to the Bureau of Labor Statistics' numbers, but the strong job market and pursuit of meaningful work continue to lure top talent into exploring new opportunities.

Although compensation remains critical in retention efforts, and a majority of employers have given raises in the past year, the workforce is increasingly emphasizing job satisfaction and the employee experience. Positive work environments, flexibility, work/life balance, and recognition are just a few desires of today's job seekers. And, if they cannot achieve those wants and needs in their current role, they will look elsewhere.





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Survey Methodology

A total of 4,115 U.S. job seekers (3,710) and employers (405) responded to iHire's Talent Retention Survey in September and October 2023. Respondents came from iHire's job and job seeker databases comprising employers and candidates across 57 talent communities. 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.

