

SPECIAL REPORT

# Understanding Why Employees Leave Their Jobs

**Medallia**



# Introduction

Employee turnover is a challenge that all organizations face, and it's an issue that's been dramatically amplified throughout the past year, with a record 4.5 million American workers quitting their jobs in the month of November 2021 alone<sup>1</sup>.

Staff attrition causes disruptions to daily business operations, negatively impacts the customer experience, and creates stress for fellow team members — driving down employee satisfaction, and increasing recruiting expenses. Estimates put the cost of replacing just one employee at around 50% to about double the individual worker's annual salary<sup>2</sup>. And that's being conservative.

For these reasons and more, it's no wonder that finding ways to retain mission-driven, high-quality performers is crucial for the long-term success of organizations across industries. But, even as employers recognize the pressing need to allocate resources toward employee engagement and retention initiatives, putting the right measures in place to encourage employees to stick around is getting harder to do.

No organization is immune to the triple threat of historically high turnover rates, staffing shortages, and the potential risk of a significant portion of the workforce choosing to exit the workforce altogether.

It's clear that to remain competitive as employers of choice for workers and brands of choice for consumers, companies need to understand why employees are leaving, what leaders can do to mitigate against churn moving forward, and, ultimately, what it will take to bounce back from the Great Resignation and win the Great Rehire.

For insights on these critical topics, consumer panel provider Sense360 by Medallia conducted a survey of 1,471 people in the United States who indicated that they either recently left their job or were thinking about leaving their job. Analyzed by the Medallia Institute, here are the top findings from this timely study.

<sup>1</sup> <https://www.axios.com/great-resignation-job-market-labor-data-920b3bfe-193d-4c80-8dc3-02a92af48d28.html>

<sup>2</sup> <https://www.gallup.com/workplace/247391/fixable-problem-costs-businesses-trillion.aspx#:~:text=The%20cost%20of%20replacing%20an,to%20%242.6%20million%20per%20year>

# Executive Summary: Key Findings

01

## How and Why Workers Left

- Nearly 50% of employees surveyed left their last employer without a new job lined up.
- The top 5 reasons workers are leaving are because of (1) the nature of their jobs in general, (2) their workloads, (3) concerns about pay equity, (4) not feeling appreciated, and (5) limited career advancement opportunities.
- About 60% of employees felt burned out and emotionally drained at their last employer.

02

## How the Pandemic Factored into the Great Resignation

- Nearly 1 in 3 workers say the COVID-19 pandemic influenced their decision to leave.
- Of workers who have left their jobs due to the pandemic, nearly 70% say they realized they wanted a better work-life balance.
- The vast majority of workers have not felt supported by their employers during the COVID-19 pandemic.

03

## What Employers Need to Do to Win the Great Rehire

- #1: Listen to employees to unlock key insights about the needs of the organization.
  - More than 50% of workers say their employers rarely ask or don't ask for employee feedback.
- #2: Go beyond listening and take data-driven action based on employee feedback.
  - Most workers say employers fail to take employee feedback seriously.
  - Collecting employee feedback is one of the strongest predictors of employee satisfaction, engagement, and experience.

# Key Results

Nearly 50% of employees surveyed left their last employer without a new job lined up.

Hourly employees are 1.4x more likely to leave without a job than salaried ones.

**% Salaried Workers Who Left Last Job  
Without New One Lined Up**



**% Hourly Workers Who Left Last Job  
Without New One Lined Up**



Among those thinking about leaving their current employment, 37% of hourly employees and 30% of salaried workers say they are not actively looking for new jobs.

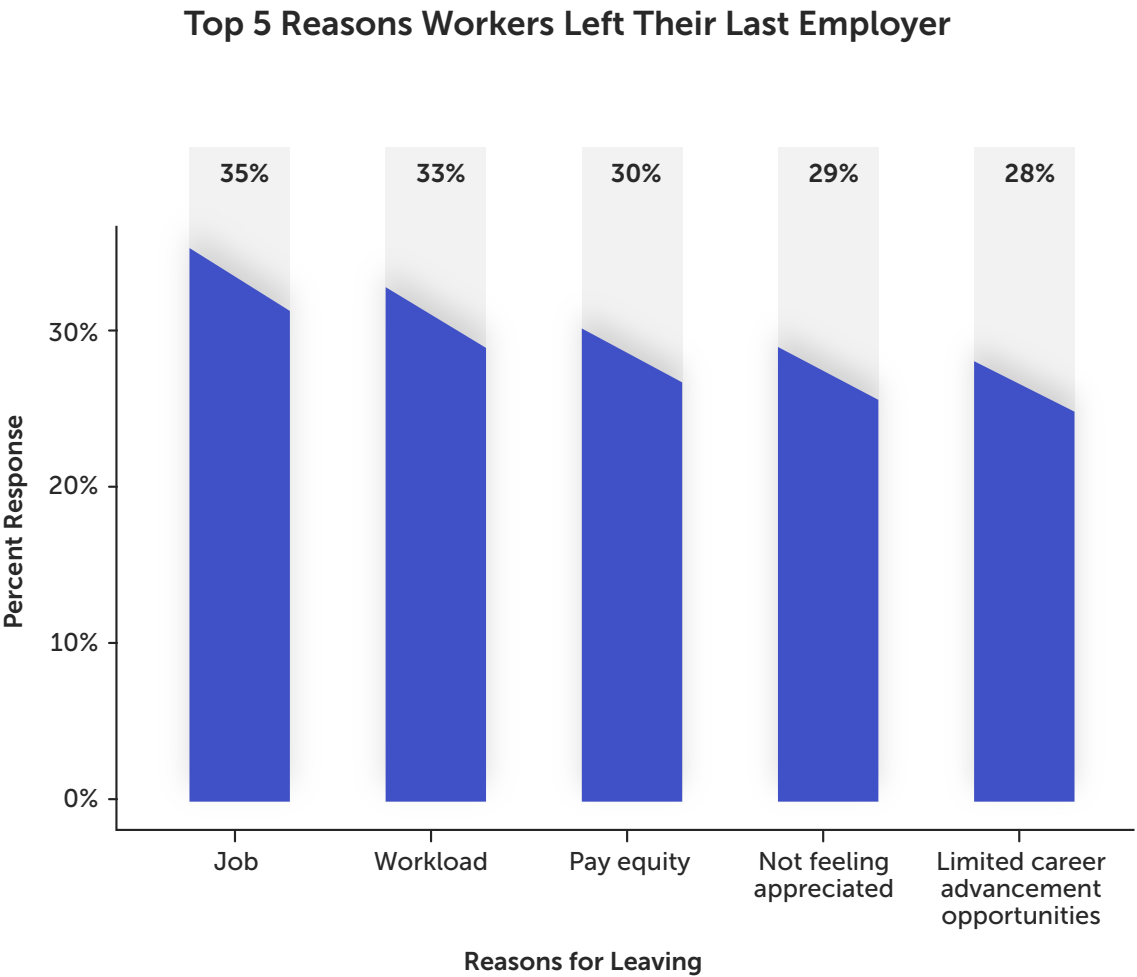
These surprisingly high numbers suggest that many employees, especially those paid on an hourly basis, are likely to leave their jobs without much concern over their ability to find another one when they are ready to do so.

# Workers have revealed the top 5 reasons they're resigning.

They're leaving because of the nature of their jobs in general, their workloads, concerns about pay equity, not feeling appreciated, and limited career advancement opportunities.

**Which of the following influenced your decision to leave your last employer?**

Top 5 responses (according to both hourly and salaried workers)

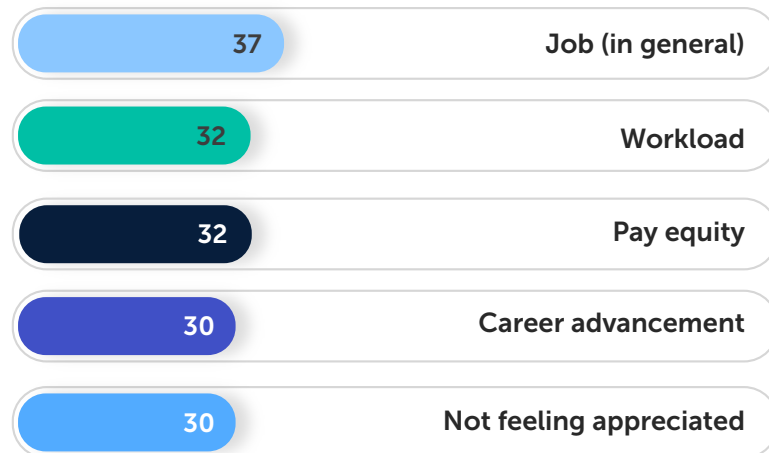


## Which of the following influenced your decision to leave your last employer?

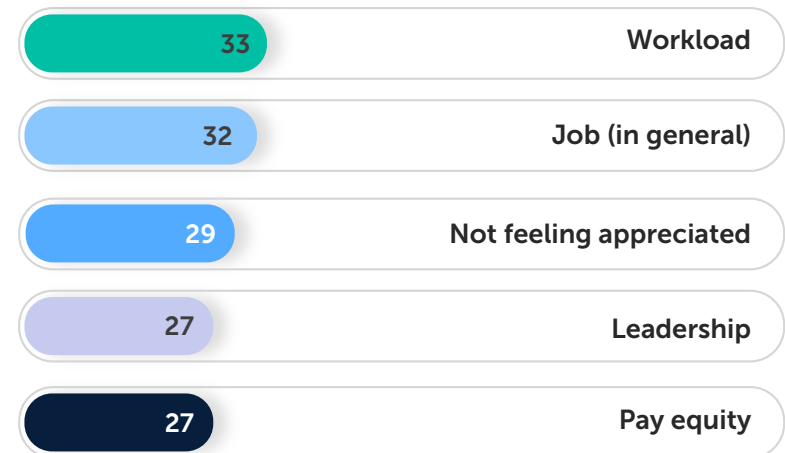
(Respondents were able to select up to 5 answers)

Top 5 responses (hourly vs. salaried workers)

### Hourly



### Salaried



Hourly and salaried workers share 4 out of 5 of the same top reasons for leaving their jobs, with hourly workers more likely to list lack of career advancement opportunities among their top 5 reasons and salaried workers more likely to list poor leadership in their top 5 reasons.



# About 60% of employees felt burned out and emotionally drained on the job at their last employer.

And nearly 1 in 3 workers say the COVID-19 pandemic influenced their decision to leave their last employer.

This percentage is even higher among salaried employees.

**% Workers Who Say Pandemic Influenced Their Decision to Leave**



Among salaried workers, 38% say the pandemic influenced their decision compared with 25% of hourly workers.

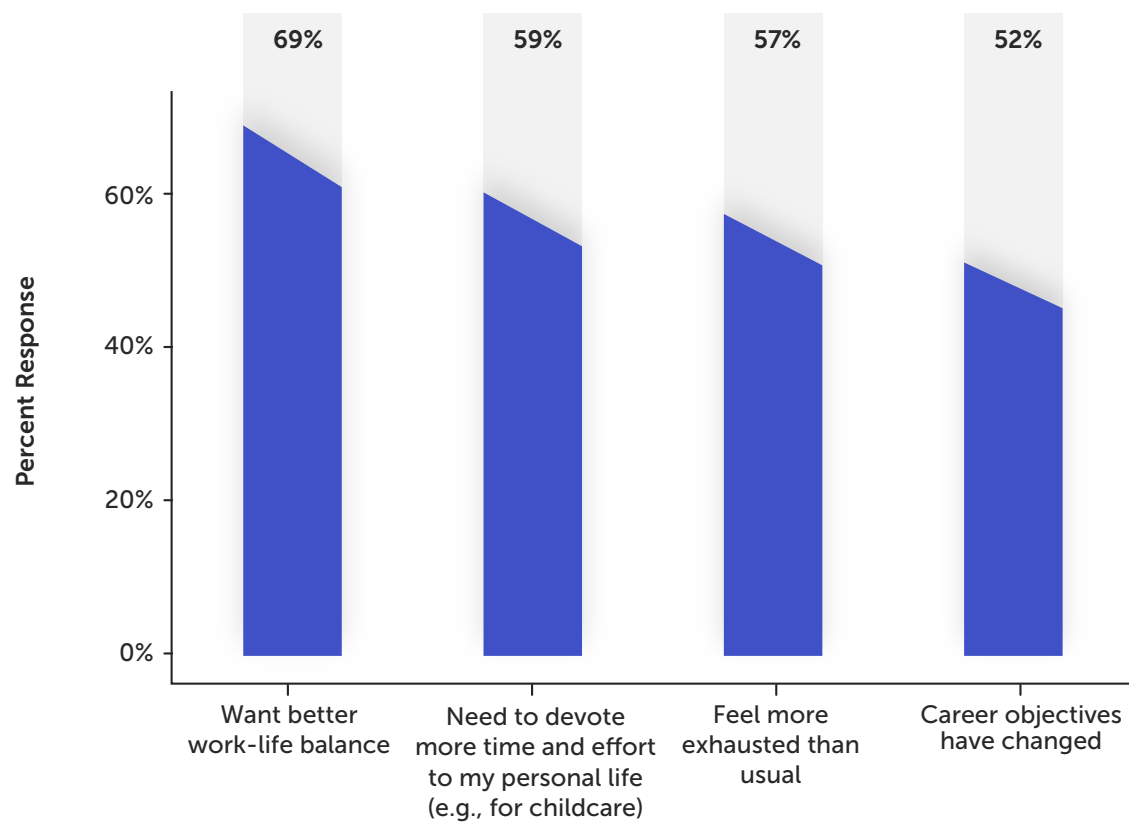


# Of workers who left their jobs due to the pandemic, nearly 70% say they realized they wanted a better work-life balance.

More than 50% need more time for their personal life, are more exhausted than usual, and have had their career objectives change.

How did COVID-19 influence your decision to leave your past employer?

Top 4 Ways COVID-19 Has Impacted Workers





# About one-fourth of workers (24%) agree that they receive enough opportunities for career advancement.

Less than 40% agree that their employer's mission and values are congruent with theirs (32%), that their company's return-to-work policy fits their needs (36%), and that they have felt supported by their employer during the pandemic (37%).

To what extent do you agree with the following statements about your last employer and employment during the COVID-19 pandemic?



% that agree: "I received sufficient career advancement opportunities/opportunities for promotion."



% that agree: "My employer's mission and values were congruent with mine."



% that agree: "My employer's return-to-work policy fits my needs and demands."



% that agree: "I felt supported by my employer during COVID-19."

# Most workers say companies fail to take employee feedback seriously.

Only 25% feel heard by their current employers and less than a quarter say their company takes "meaningful action" based on employee feedback.

% that agree: "I feel heard at my current job."



% that agree: "My employer takes employee feedback seriously."



% that agree: "My employer takes meaningful action based on employee feedback."



**Salaried employees are slightly more likely to agree** with the above statements, but even still, only:

- 29% say their employer takes meaningful action based on employee feedback
- 30% feel heard at their current job
- 33% say their employer takes employee feedback seriously

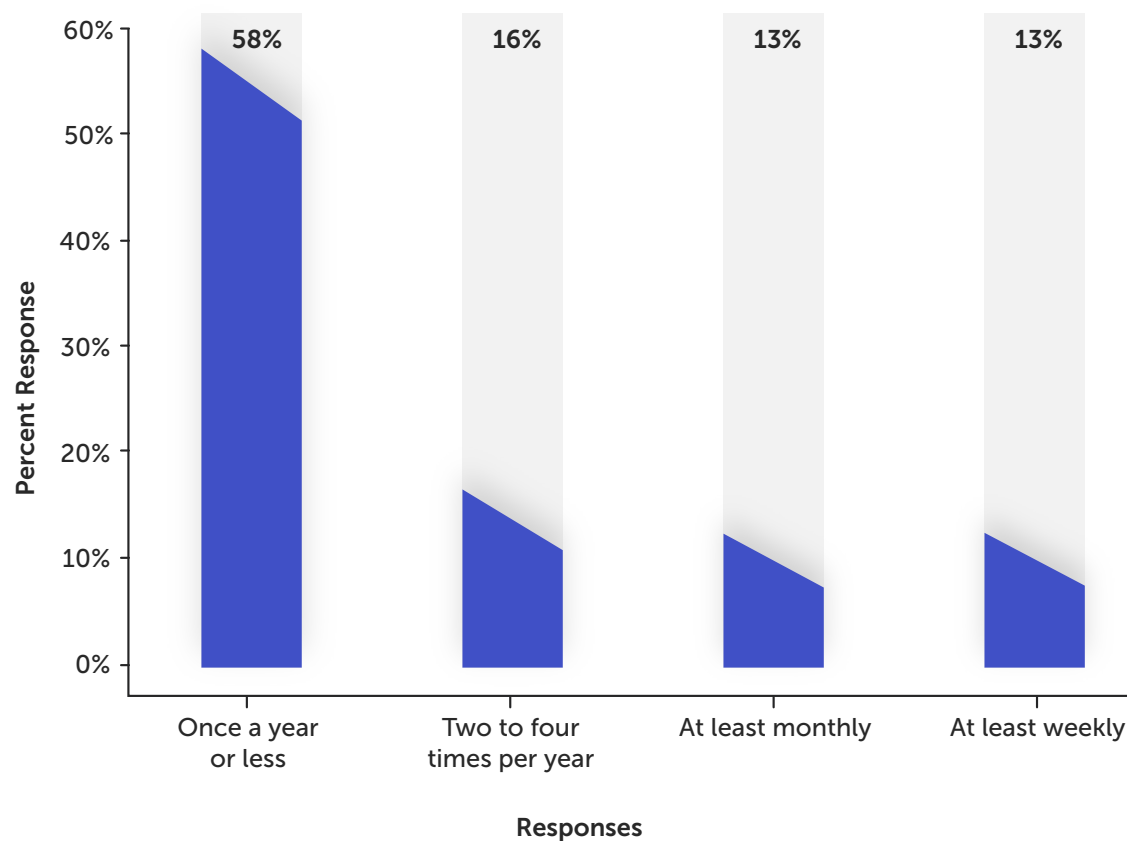
**Hourly workers are less likely to agree** with the above statements, as only:

- 19% say their employer takes meaningful action based on employee feedback
- 21% feel heard at their current job
- 24% say their employer takes employee feedback seriously

# More than 50% of workers say their employers rarely ask/don't ask for employee feedback.

How often does your employer ask for feedback from their employees about their experience with the organization?

How Often Workers Say Companies Ask for Their Feedback



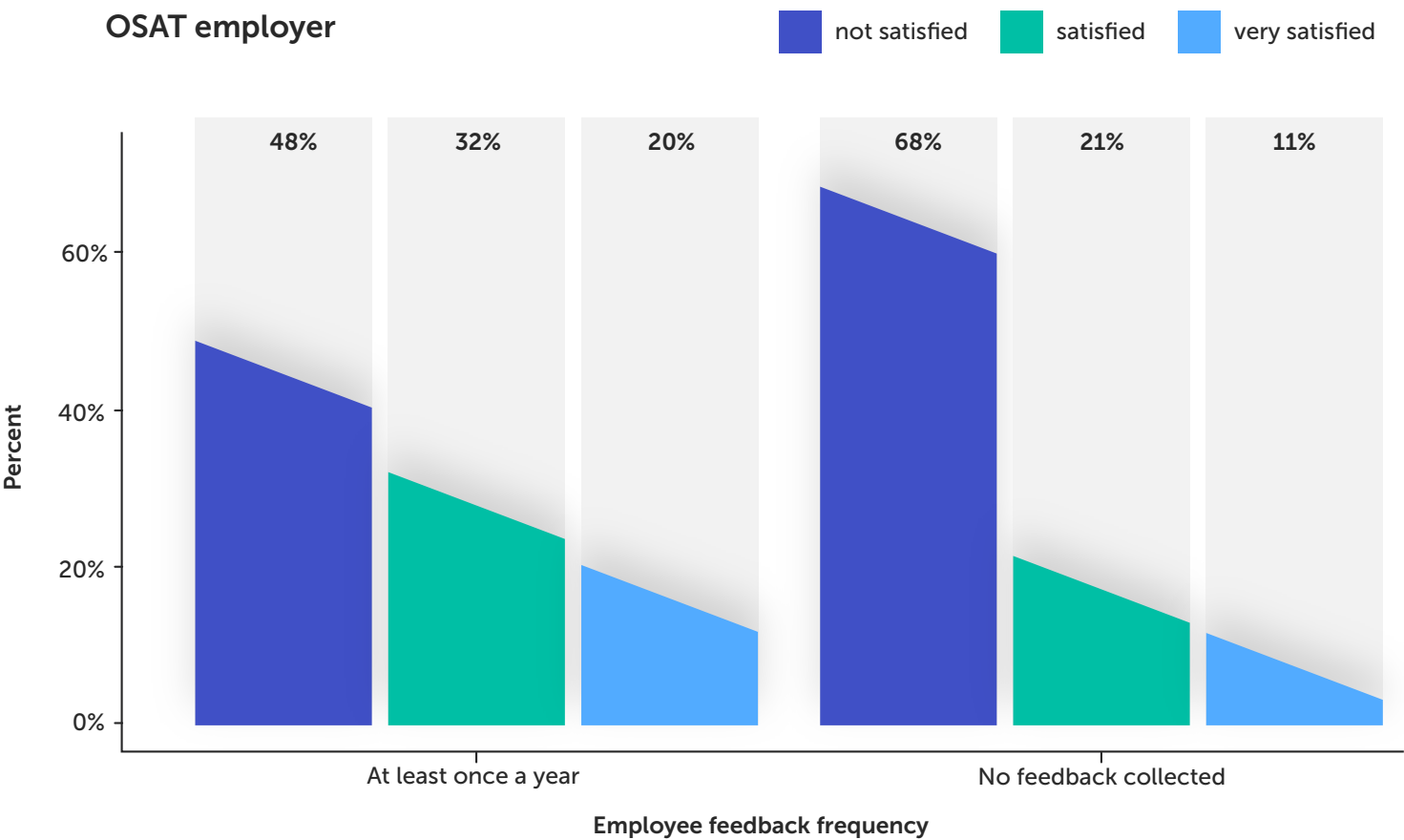
Hourly employees are even less likely to have the chance to voice their feedback, with more than half (64%<sup>3</sup>) saying their employer only asks for their feedback once a year or less, or does not ask for feedback at all.

<sup>3</sup>Excludes respondents indicating that they didn't know whether their employer collected feedback, resulting in a sample of n=1320

# Collecting employee feedback is strongly linked to employee satisfaction, engagement, and experience.

The majority (68%) of employees whose employers do not ask for employee feedback are dissatisfied with their employer, compared to less than half (48%) of employees who have outlets to provide feedback who say they are not satisfied with their employer.

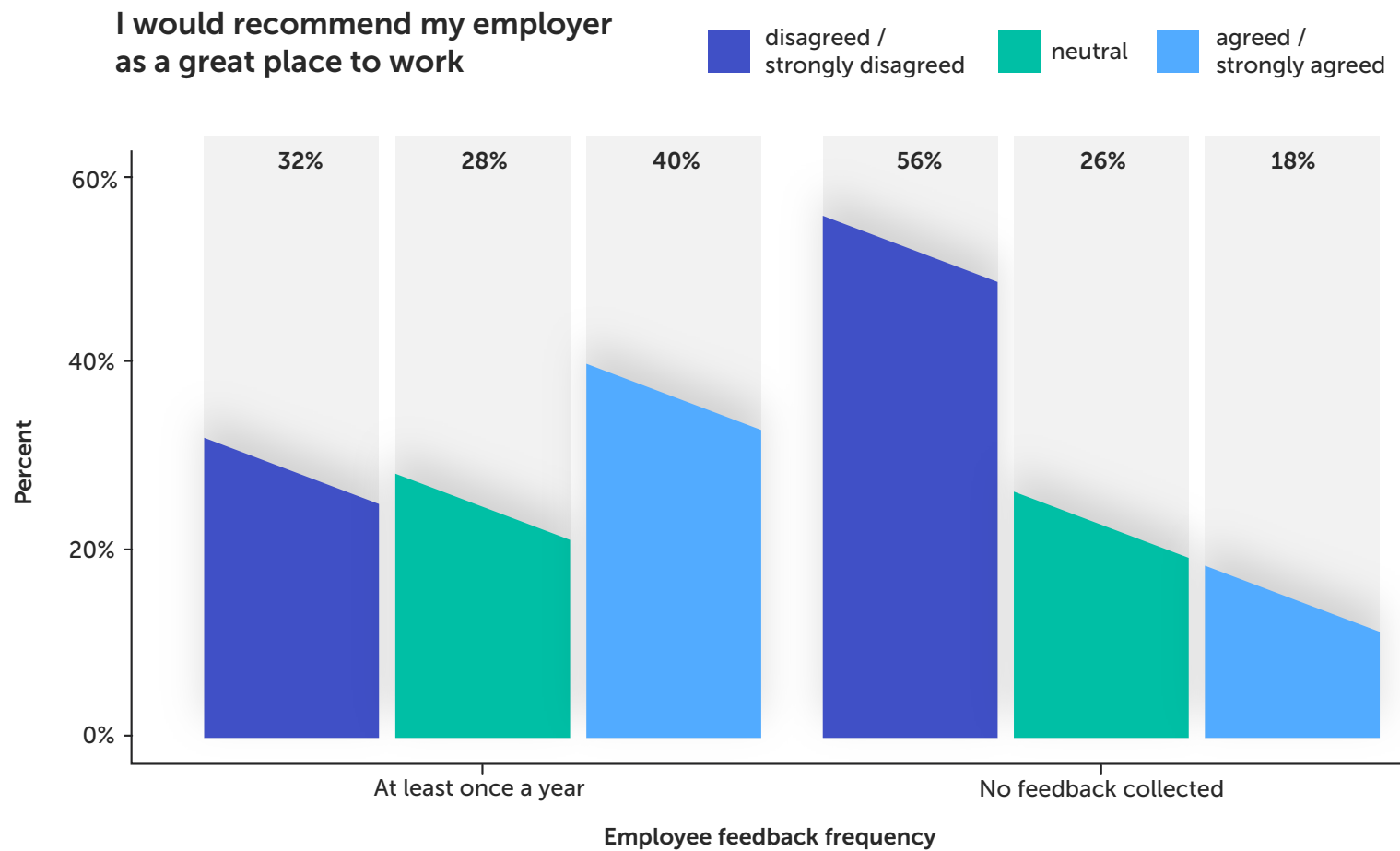
How satisfied were you with your last employer?



The majority (56%) of employees whose employers do not ask for employee feedback would not recommend their employer as a great place to work, compared to less than one-third (32%) of employees who have outlets to provide feedback.

As organizations increasingly depend on strong reviews and referrals to attract and retain top talent, it is imperative that they invest in collecting employee feedback — and acting on it — to drive positive sentiment and word of mouth.

Please rate the extent to which you agree or disagree with the following statements about your last employer.



# How employees want to provide their feedback and the channels employers provide for collecting feedback vary widely.

While email is the dominant channel employers used to capture feedback and is the #1 preferred channel for sharing feedback among employees, there are a range of other options employees also prefer to use.

Employee feedback collection channel	Have been invited through this channel	% Not Preferred	% Preferred
Email	36%	28%	44%
Text Message	20%	39%	36%
Paper	14%	42%	30%
Digitally via websites or applications	12%	35%	37%
Kiosks / Computer stations	8%	46%	27%
QR Codes	4%	55%	21%
Not sure	34%		



# Conclusion

At the end of last year, we learned what can happen when workers face burnout on the job — something the majority of our survey takers (60%) said they felt. They may choose to walk away, some without a new job offer in hand as was the case with about half of employees who left their jobs.

Those who took part in the Great Resignation did so because of the nature of their jobs and also because of being overloaded with work, experiencing pay equity issues, not feeling valued, and not having enough career advancement opportunities.

Our Great Resignation insights reveal not only why employees have been leaving, but what employers can do to reduce turnover and hang on to top talent, even in the face of larger shifts in employment trends. And that's really listening — asking employees how they're doing and taking meaningful action to improve things as needed.

We know that employee needs aren't static — they're constantly evolving — and employers that can tap into drivers of employee experience and engagement by collecting timely employee feedback and taking meaningful action in the moment are those that will be able to retain their best people and gain a competitive advantage in the marketplace.

After all, we've learned from [previous research](#) from the Medallia Institute and Josh Bersin that employee experience leaders are more likely to meet and exceed their financial targets, achieve high levels of customer satisfaction, and deliver revenue growth.

# ABOUT THE STUDY

The findings presented here are based on an analysis from the Medallia Institute of a survey conducted in October 2021 by consumer panel provider Sense360 by Medallia of 1,471 workers in the United States who indicated that they either had recently left their job or that they were thinking about leaving their job at the time.

Population represented: By age

Generation	Sample Size (Total=1471)	Age (M=39.4)
Gen Z (born in or after 1997)	390 (27%)	21.4
Millennial (born between 1981 and 1996)	403 (27%)	32.8
Gen X (born between 1965 and 1980)	410 (28%)	47.2
Boomer (born between 1946 and 1964)	268 (18%)	61.9

Population represented: By race/ethnicity

Race	Sample Size
White	390 (27%)
Black or African American	403 (27%)
Hispanic, Latino, or Spanish	410 (28%)
Asian	268 (18%)
American Indian or Alaska Native	390 (27%)
Native Hawaiian or Other Pacific Islander	403 (27%)
Middle Eastern or Northern African	410 (28%)
Identify as other	268 (18%)

## ABOUT THE RESEARCH TEAM

### **Meike Eilert, Ph.D., Research & Analytics Manager, Growth Strategy and Insights**

With a Ph.D. in marketing from the University of South Carolina, Meike's work has been published in several academic journals, such as the Journal of Marketing, Journal of Marketing Research, and Journal of Public Policy and Marketing. At Medallia, she explores drivers and outcomes of customer and employee experience to inform organizational practices. Her previous experience includes roles at the University of Nebraska-Lincoln and University of Kentucky.

### **David Ostberg, Ph.D., Solutions Principal, Employee Experience**

With a Ph.D. in systems science and a Master's in industrial-organizational psychology from Portland State University, David is an industrial/organizational psychologist with over 10 years of specialization in employee experience and 20 years in HR technology. David's focus throughout his career has been to capture and utilize data to improve employee, customer, and organizational outcomes.

### **Khue Tran, Ph.D., Senior Analyst, Growth Strategy and Insights**

Khue has worked in academic and applied research in the areas of work psychology with an industrial/organizational psychology background at the University of Minnesota. At Medallia, she analyzes and conducts research to understand employee and customer experiences and quantify their impact.

## About Medallia

Medallia is the pioneer and market leader in Experience Management. Medallia's award-winning SaaS platform, the Medallia Experience Cloud, leads the market in the understanding and management of experience for customers, employees and citizens. Medallia captures experience signals created on daily journeys in person, digital and IoT interactions and applies proprietary AI technology to reveal personalized and predictive insights that can drive action with tremendous business results. Using Medallia Experience Cloud, customers can reduce churn, turn detractors into promoters and buyers and create in-the-moment cross-sell and up-sell opportunities, providing clear and potent returns on investment. [www.medallia.com](https://www.medallia.com)

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