



# Labor on the Move



**Art Waskey**

Art Waskey is a speaker who truly delivers. In addition to a 45 year career in sales and marketing, Art is the author of multiple books on selling and a monthly column The Art of Sales. He shares these insights as an in demand event and conference speaker as well as leadership coach.

My client in the distribution industry recently had one of his key sales employees leave. It was a shock. He felt this young person would be a critical part of the future of the business. This resignation was a reminder of the fact that the US labor market is on the move. **There is a shortage of talent as a result of the Great Resignation – the baby boomers have moved on. The pandemic also greatly expanded employee choice to work from home, opening up a world of new job options.** These factors have enabled younger employees to pick their spots, creating a costly trend in rapid employee turnover. By now, most businesses have felt the effects of job-hopping in one form or another.

## By the numbers

Numbers don't lie — job-hopping is on the rise. **According to Grant Thornton Consulting, about 68.9**

**million American workers left their jobs in 2021 — 70% of them voluntarily.** The company also reports that over 20% of American workers took a new position in the last year. Forty percent of those are already looking for new jobs. Among sales organizations, Xactly Corp. found that they experienced 58% higher voluntary turnover in 2021 than in 2020. <sup>1</sup> And the US Bureau of Labor reported that the professional and business services industry (which includes B2B sales) had the fifth highest turnover rate in 2021<sup>2</sup>. This is a lot of movement.

## Why Job-Hop

To address this issue, we need to understand what's driving it. Here are some of the primary motives for changing jobs today.

1. Xactly Corp., [xactlycorp.com/blog/sales-turnover-statistics](https://xactlycorp.com/blog/sales-turnover-statistics)

2. US Bureau of Labor [bls.gov](https://bls.gov)



# Labor on the Move

**Advancement opportunity** – Careers are no longer linear. **Today, the quickest way up the ladder is with a job change, and social media makes that fast and easy.** Finding a new job is often more expedient than asking for a promotion. Many times the next step in an organization is limited by the positions available and employees choose not to wait.

**Company loyalty** – Companies are no longer seen as being loyal to their workers. The Y and Z generations watched their parents get laid off in recessionary times, through reorganizations, and as a result of corporate buyouts. Finding a new job often took them months or years. The angst of being part of a family going through unemployment has created a “don’t trust them” attitude. Gen Y and Z workers try to build their own unique career paths by moving on before someone moves them out.

**Salary increases** – Zippia, an online recruitment services provider, reported that in 2022 the average salary increase when changing jobs was 14.8% while wage growth was 5.8%<sup>3</sup>. **Today, it is often easier to switch jobs for a large pay increase than to ask your boss for a raise.**

**Better culture** – A top reason why people change jobs is to be part of a better work culture. According to Shelby Palmeri of CareerPlug, 72% of employees surveyed reported leaving a job because of a toxic workplace. 51% said they plan on leaving their current job for the same reason<sup>4</sup>.

**More perks** – The younger

generations are **looking for a good life/work balance** —more personal time off, a shorter time to earn it, and perks. Company matching contributions to 401K saving programs, student loans retirements, flexible hours, and work-from-home are options new workers are seeking.

## Get Them to Stay

**Recognize the current demands of the labor market and create strategies that encourage your employees to stay. Here are some ways to build loyalty.**

**Get comfortable with change** – Take responsibility for retention. The Y and Z generations are comfortable with change. Empower your managers to try new ideas and to listen to suggestions from younger employees.

**Provide a career path** – Make sure internal opportunities for job growth are seen. Establish clear paths for career advancement. Provide meaningful time for employees to communicate personal career goals. Offer and invest in training where there are gaps in skills.

**Refocus the culture** – Culture is developed top-down in an organization. Get external assessments to ensure you are projecting a healthy culture. Create 360 degree reviews where managers can see and understand gaps in relationships. If a manager has a high report turnover, recognize it early and make adjustments.

**Reassess your compensation plan** – With social media, job-hoppers are aware of the benefits other companies offer

3. 26 Average Salary Increase When Changing Jobs Statistics [2022], Chris Kolmar, Aug. 22, 2022, zippia.com

4. 2022 Toxic Work Environment Report, Shelby Palmeri, June 27, 2022, careerplug.com



# Labor on the Move

and they discuss them with their peers. Be sure your compensation plan is in line with companies like yours.

## **Value your employees**

**Make sure your employees feel valued for their contribution to your workplace.** The longer a person is in a position that doesn't

fulfill them or underutilizes their talents, the more likely he is to move. Provide opportunity for promotion, bring your compensation packages up to date and create a culture of trust. Make sure your employees can step up — so they don't step out.

## 5 KEY TAKEAWAYS

1. About 68.9 million American workers left their jobs in 2021 — 70% of them voluntarily.
2. A labor shortage has created a trend in job-hopping.
3. Careers are no longer linear. Today, the quickest way up the ladder is with a job change.
4. Identify the primary reasons why people change jobs.
5. Create strategies that encourage your employees to stay.