2022
THE YEAR OF THE EMPLOYEE

The last time I looked for a job, it was in the 1990's. In spite of that, LinkedIn pushes job openings at me at a furious clip. The fact that I am well over 50 doesn't seem to matter at all even though for years, being an older worker received little consideration in the DEI mix.

The Great Resignation. Much has been written about what has caused it; more needs to be written about what to do about it.

Many attribute it to the Pandemic. More likely, Covid was simply a "precipitating event." Certainly, it has contributed to the dramatic shift in behaviors by many former employees. However, this was not THE reason. The factors contributing to the Great Resignation have been growing steadily for years.

Voluntary turnover has been trending upwards since 2010. And it is expected to continue growing as we have noticed. The Work Institute conservatively estimates that it costs a business on average $15,000 per lost employee. If employers persist in the behaviors that are causing the turnover, it will become increasingly expensive for organizations to operate.

According to the Bureau of Labor Statistics, the median wage for 40-hour-per-week workers in the United States is $44,564 per year. Using the $15,000 figure, we can estimate the total cost of turnover for U.S. companies in 2016 at $617 billion. In 2018, the Work Institute's study revealed that only 23 percent of those who changed jobs did so involuntarily. The remaining 77 percent voluntary quit rate represents a controllable cost for U.S. companies of $475 billion. To give this some perspective, if employers reduced preventable turnover by 10 percent, they would save $47 billion; if they reduced preventable turnover by 20 percent, the savings would amount to $95 billion. At some point, those types of gains turn into real money.

These statistics on turnover occurred pre-Pandemic. Add the Great Resignation to the equation and it is clear, employers who continue to act as in the past will suffer strong economic consequences. The upshot of this: 2022 is The Year of the Employee.

What should employers do? It is instructive to pay attention to the Work Institute data outlining the main reasons for preventable job changes in order of importance:

1. **22%** of chose to leave for career development opportunities
2. **12%** sought improved work-life balance
3. **11%** left because of poor manager behavior
4. **10%** pursued better comp and benefits
5. **8%** each left for well-being and job characteristics
6. **5%** departed because of the work environment

LEVEL THREE
PERFORMANCE SOLUTIONS

Even a cursory glance would suggest that a focus on individual employee wants and needs would be an excellent place to start. **Research has shown that one of the major items employees seek is to know that their work matters and is meaningful.** The fact that the largest single cohort of voluntary turnover sought career development suggests that, to the extent possible, employers need to engage their employees more fully in developing themselves.

The following group left for work-life balance issues. Within that reason, scheduling was the most often mentioned cause. The Covid challenges have shown us that hybrid work opportunities, when available, can result in improved productivity and work life balance. This was echoed farther down the list in one of the categories in 5th place where employees seek to improve their well-being.

The next category should be a simple fix for employers; managers need to be better trained and must exhibit better professional behavior. This also calls to mind the other 5th place category of job characteristics, the primary component of which is organizational culture.

All these reasons point to one thing: recognizing the contribution employees make in the delivery of goods and services. With job openings on a steady growth path and the pool of unemployed workers declining, can organizations bear the increasingly high cost of turnover? Those enterprises that can capitalize on these opportunities stand to gain a great competitive advantage.