



WHY DO PEOPLE CHANGE JOBS?

THE ROOT CAUSES OF CHANGING JOBS

WHY THE WORKER IS LEAVING, AND WHAT IS ATTRACTIVE ABOUT THE NEW JOB?

Staff turnover is a costly problem that can be tackled not only to make significant adjustments, but also to address the challenges of business growth. Voluntary turnover is generally preventable, and this is sought to maintain the competitive advantages that a company creates through its staff.

The pandemic that started in 2020 has changed everyone's life, and we wanted to find out if the change has also affected the reasons for changing jobs and choosing a new employer.

As the pandemic dragged on, people and organisations adapted to the so-called new normal. Adaptation usually also means that priorities change or become more pronounced. This seems to have been particularly the case for workers. The labour market has turned into an employee market, and companies are seeing more and more turnover. Coronation layoffs, collective bargaining, loneliness in the home office and other major changes have certainly made more and more workers reflect on their jobs, their working environment, their tasks and their future.

Compass HRG is a trusted direct search partner for many companies, and we wanted to find out why people are really changing jobs today. At the same time, we wanted to get a picture of what the world before and after the interest rate boom looks like through the eyes of a job seeker. **Through a questionnaire we commissioned, we explain the reasons why a worker decides to leave their current job, and the reasons why a jobseeker chooses the employers they apply to work for.** We also open up perspectives on what companies should be doing to minimise labour turnover.

The results of this survey are based on data collected through questionnaires between 15 June and 15 November 2020 from jobseekers who have actively sought work in the last two years, and it resulted in a total of 437 responses.

BACKGROUND VARIABLES OF THE SURVEY

The survey collected replies from

437

35,5%

responses came from the construction and industry sectors

The second highest number of responses came from ICT sector

18,5%

44,2%

The majority of respondents said they are first-paid employees

The chief positions were also well represented

14%

29,5%

Expert positions were also well represented

"IT IS IMPORTANT THAT THE ISSUE WE RAISE IS RAISED SO THAT EMPLOYERS ARE ABLE TO PROACTIVELY ENGAGE THEIR STAFF AND THUS MAINTAIN THE COMPETITIVE ADVANTAGE THAT STAFF BRING TO THE BUSINESS".

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How the survey was carried out

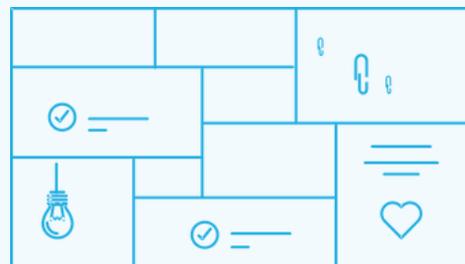
We conducted our survey with people who have actively looked for a job in the last two years. We targeted the survey at candidates who had been involved in Compass HRG's recruitment processes. **The aim was to find out which factors attract candidates to apply to a particular employer, and which factors push them away.** The survey asked respondents to rank the factors associated with changing jobs in order of importance. Based on previous research, we divided the reasons into pull and push factors.

As **pull factors**, we identified seven different options from previous similar surveys, in which we asked respondents to rank in order of importance. These factors were:

- An interesting business model
- An innovative leader in his or her field
- Offers flexibility and empowerment in your work
- A strong corporate culture
- A socially responsible company with high ethical standards
- Good opportunities for career development
- Good benefits and competitive salary

We identified nine reasons as **push factors**, which respondents were also asked to rank in order of importance. These were:

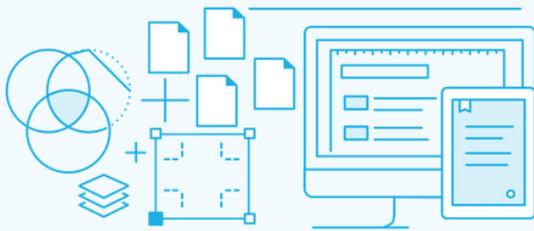
- Business is not developing or not developing in the right direction
- The future of the company seems risky
- The employer does not offer enough flexibility and influence over the work tasks
- Corporate culture and values
- Social responsibility and ethical standards
- Lack of personal development opportunities
- Poor pay and/or benefits
- Poor leadership
- Absence of challenges



"GENERALLY SPEAKING, PEOPLE MOVE FROM THEIR CURRENT JOB TO A NEW ONE BECAUSE THEY DON'T LIKE THEIR PREDECESSOR, THEY DON'T SEE OPPORTUNITIES FOR DEVELOPMENT OR PROMOTION, OR THEY ARE OFFERED A BETTER OPPORTUNITY (AND OFTEN A HIGHER SALARY) FROM ELSEWHERE; THESE REASONS HAVE REMAINED THE SAME OVER THE YEARS".

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RESULTS: WORKERS SEEK FLEXIBILITY AND CAREER OPPORTUNITIES AND RUN AWAY FROM BAD LEADERSHIP



Flexibility (the company "offers flexibility and opportunities to influence your work") and good opportunities for career development were by far the main attractions for employees in their new job.

While the results of our survey are familiar from previous studies, we believe that these issues have become more important to employees. For example, flexibility may have previously been a luxury that was not a requirement when choosing an employer. **Now, workers take it for granted that they can decide for themselves where and how they work.** The importance of leadership, on the other hand, has become more important as close contacts have become less frequent.



Workers were pushed out of their current jobs in particular by poor leadership.

Many specialist companies coped well with the pandemic's exceptional circumstances because they reacted quickly. **However, it should be remembered that reactivity is only the key to survival. The key to success lies in being proactive.** By taking a closer look at the results of our survey on the following pages, employers can be proactive in engaging their staff and maintaining the competitive advantages that staff bring to their business.

"THE MOST IMPORTANT FACTORS WERE
FLEXIBILITY AND THE ABILITY TO
INFLUENCE THEIR OWN WORK".

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Results: Choice of employer



Average ranking of factors (1=most important 7=least important)

In many cases, respondents were divided on the factors influencing their choice of employer. The table shows the average ranking of respondents. **However, it is more interesting to see how the responses are distributed by factor.** In other words, how many respondents ranked, for example, an attractive business model as the most important factor when choosing a new employer.

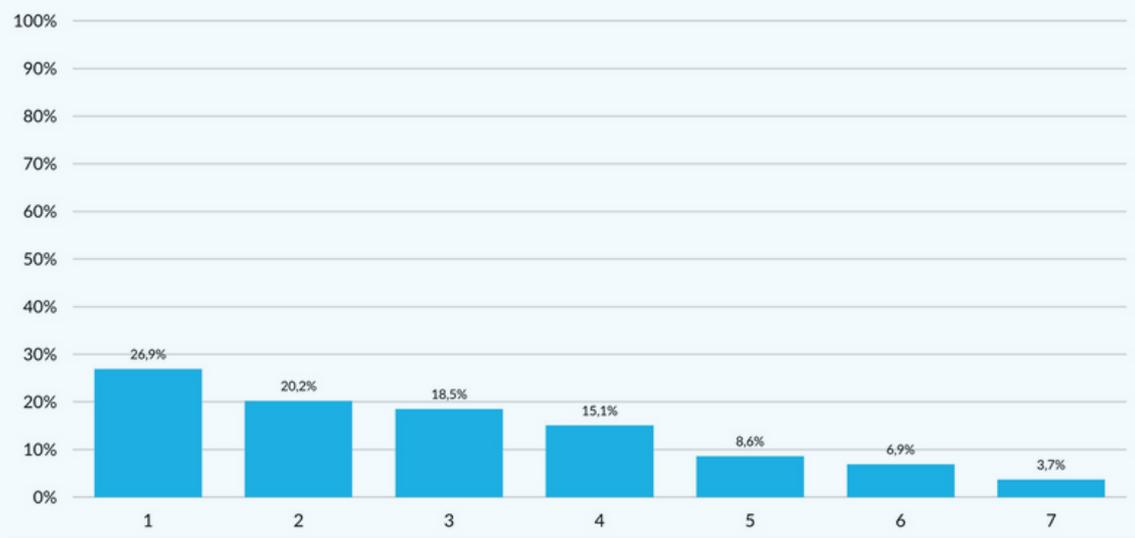


Results: Choice of employer



Flexibility and empowerment in your work (Average score 2.9/7)

The most important factor when looking for a new employer was flexibility and influence in one's own work, with 65.6% of respondents ranking this factor in the top three and 26.9% of all respondents ranking it as the most important. 19.2% of respondents ranked flexibility and empowerment as one of the three least important factors, and only 3.7% of all respondents ranked flexibility and empowerment as the least important.



Distribution of responses (1=most important 7=least important)

"It is important for employers to trust their employees and to be able to adapt to their life circumstances when necessary".



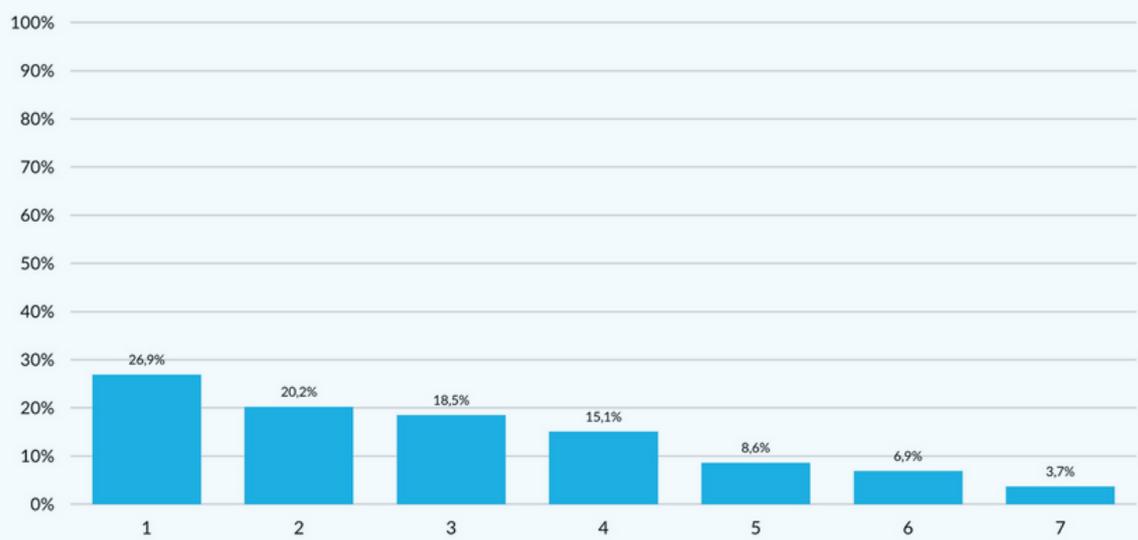
Results: Choice of employer



Good career development opportunities (Average score 3.1/7)

Employers offering good career development opportunities were highly valued. The factor was ranked second most important among respondents in terms of average importance. 61.6% of respondents ranked the factor in the top three and only 3% of respondents ranked career development opportunities last on their list.

"Salary and benefits are essential for motivation, but good opportunities for career development are even more important".



Distribution of responses (1=most important 7=least important)

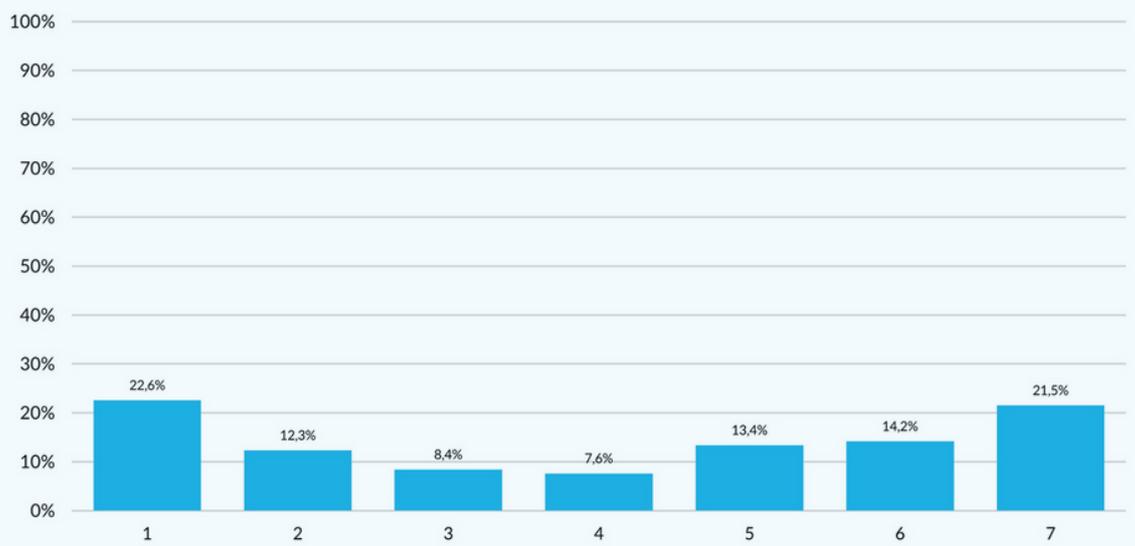


Results: Choice of employer



An interesting business model (Average score 4.7/7)

22.6% of respondents considered an attractive business model to be the most important factor when choosing an employer, but 21.5% also considered it the least important factor. This is probably explained by the sub-division of respondents. In the construction and manufacturing sector, the business model is less likely to be the main differentiating factor from competitors, while in other sectors such as ICT, it may be their main competitive advantage.



Distribution of responses (1=most important 7=least important)

"It's important for me to work in an interesting field, to have the opportunity to develop my skills, to grow as a professional and that the company shares the same values as me".



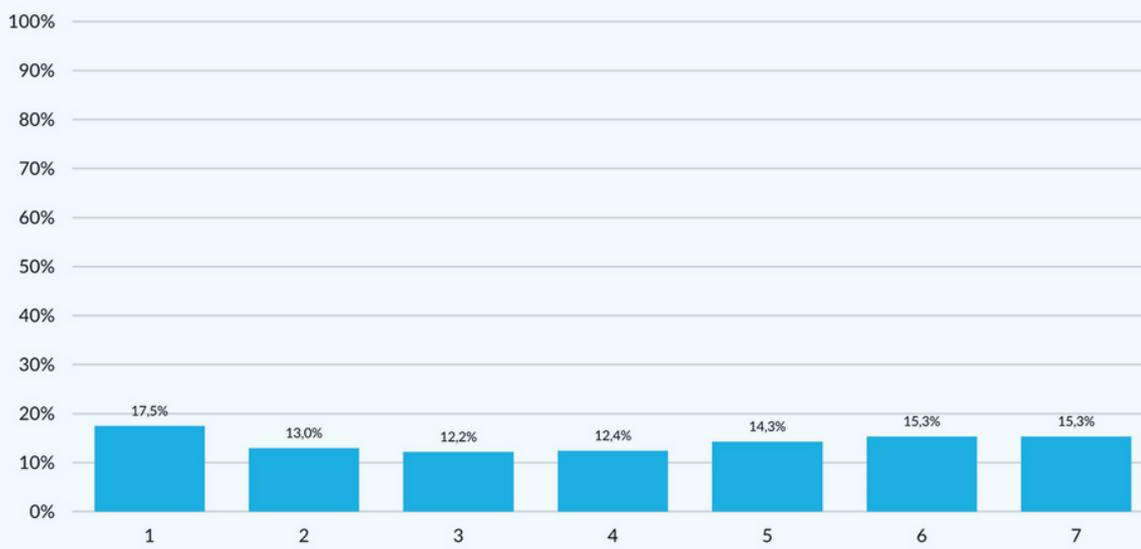
Results: Choice of employer



An innovative leader in your field (Average score 4.0/7)

The factor "innovative leader in his/her industry" was very close to the business model of interest on average. However, the distribution for this factor was much more even (see table).

"We have to lead people first, numbers second. Unfortunately, too many leaders do the opposite".



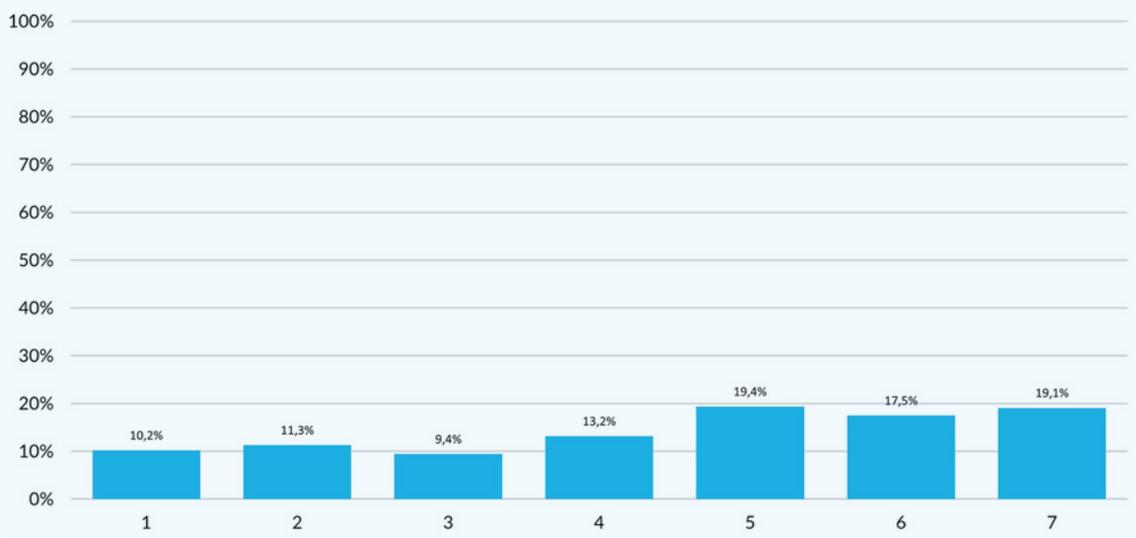
Distribution of responses (1=most important 7=least important)

Results: Choice of employer



A strong corporate culture (Average score 4.5/7)

Surprisingly, a strong company culture was ranked 4.5/7 on average when respondents rated the attractiveness of a new employer. This was the lowest ranked of all factors. 56% of respondents ranked this factor in the bottom three, and 19.1% ranked it as the least important of all. However, one in ten respondents (10.2%) ranked a strong corporate culture as the most important factor when choosing an employer.



Distribution of responses (1=most important 7=least important)

"The entrepreneurial culture is very important. If you can get it right, it usually means high job satisfaction, which in turn helps you in your day-to-day work. A good company culture also gives the employee the energy to go for higher positions or other career changes within the company".



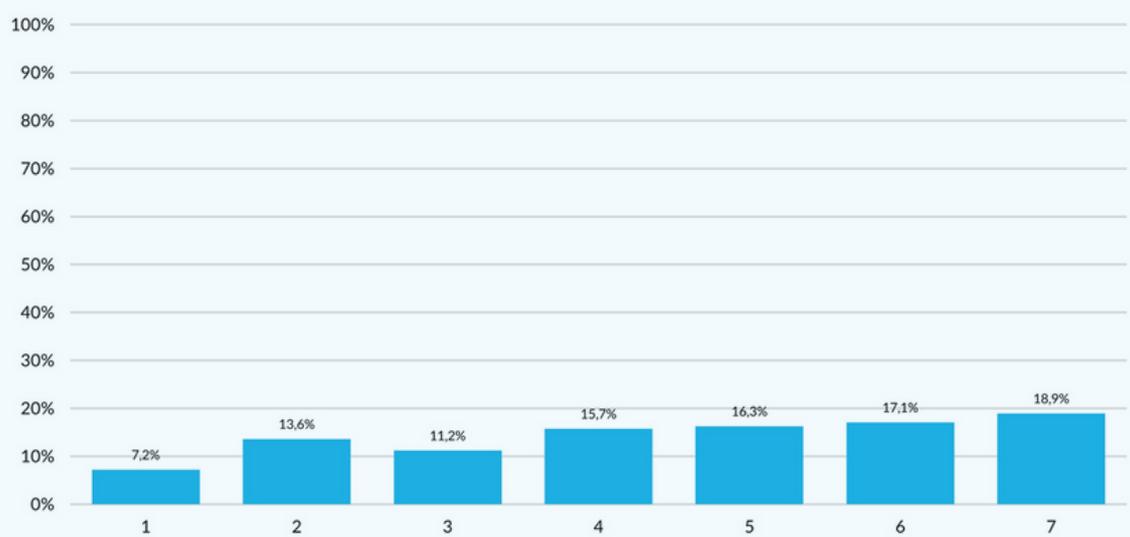
Results: Choice of employer



Socially responsible and high ethical standards (Average score 4.5/7)

The factor "socially responsible and high ethical standards" was ranked 4.5/7 on average, in line with a strong corporate culture, but with a more even distribution between respondents. 52.3% ranked this among the three least important, while 32% ranked the same factor among the three most important.

"In general, bad leadership can be tolerated for a while if you feel that the company is driving the right changes through good ethics and if the employee has the opportunity to influence things".



Distribution of responses (1=most important 7=least important)

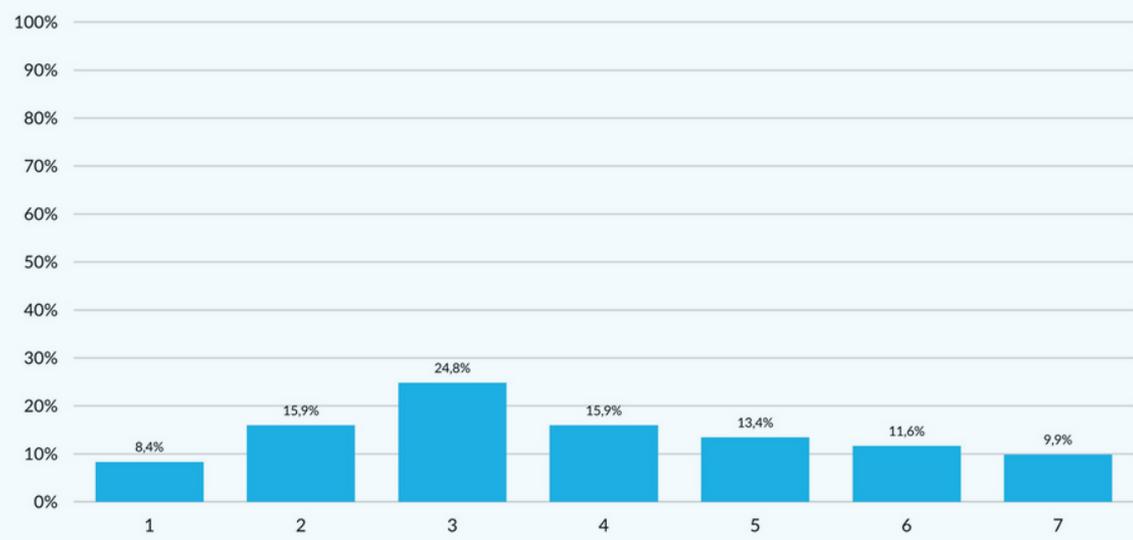


Results: Choice of employer



Salary and benefits (Average score 3.8/7)

Salary and benefits were generally considered important when choosing a new employer, with 49.1% of respondents ranking this in the top three. 15.9% placed salary and benefits in the middle of their list, or fourth, and a total of 34.9% ranked it among the three least important factors. However, only 8.4% of respondents ranked salary and benefits as the most important, while 24.8% (the highest importance) considered this factor to be the third most important.



Distribution of responses (1=most important 7=least important)

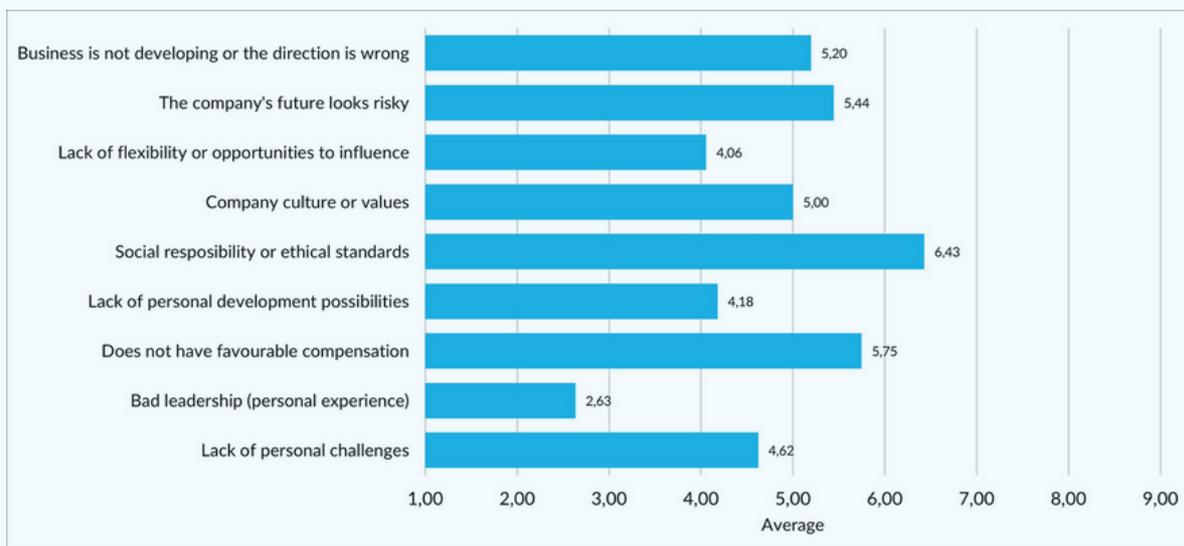
"Of course salary is important, because top performers will not even consider an employer if the company is not willing to offer competitive compensation".



"A STRONG COMPANY CULTURE COMMUNICATES THAT THE EMPLOYER IS SUFFICIENTLY FOCUSED ON ITS EMPLOYEES AND ON THE RELATIONSHIPS WITHIN THE COMPANY. IF THE COMPANY'S OVERALL PERFORMANCE REFLECTS THE SAME VALUES IN REALITY, IT IS A GREAT ADVANTAGE".

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Results: Reasons for quitting



Average ranking of factors (1=most important 9=least important)

As mentioned above, we identified nine common reasons for voluntary redundancy from previous studies. In this part of the survey, respondents were again asked to rank these nine reasons in order of importance.

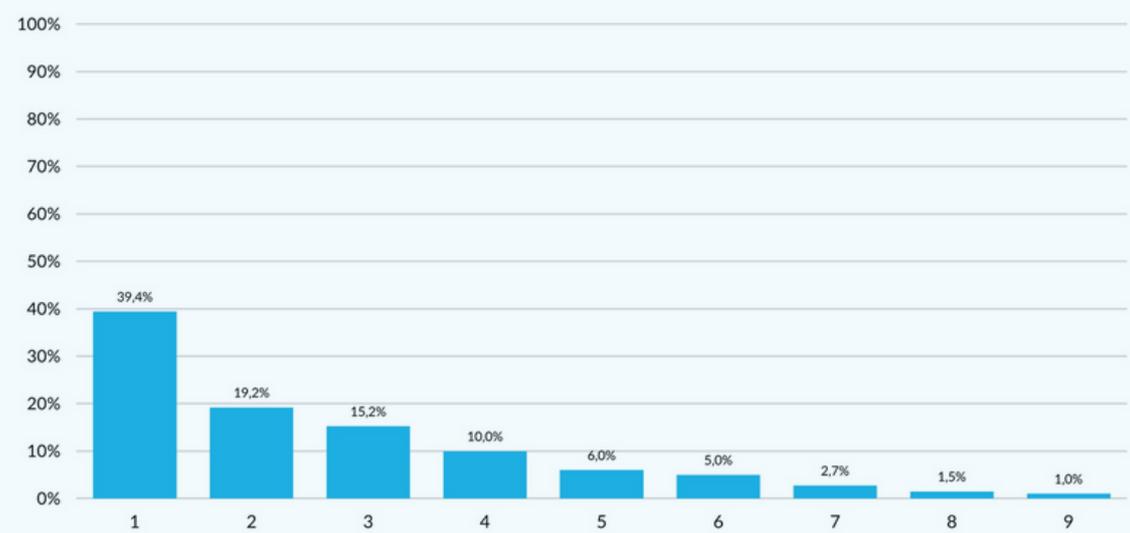


Results: Choice of employer



Poor leadership (Average score 2.6/9)

Poor leadership was by far the most important reason for quitting, with 39.4% of respondents ranking poor leadership as the first of the nine factors identified and 83.8% ranking it as the fourth most important factor. Of all the factors, this distribution was naturally the most forward-looking, with less than 10% of respondents ranking this factor between 6 and 9.



Distribution of responses (1=most important 9=least important)

"A manager should have the support they need to do their job well. If leadership is poor or lacking, it will first affect your own work, efficiency and motivation. Flexibility is also important and people need to feel that they and their ideas matter".



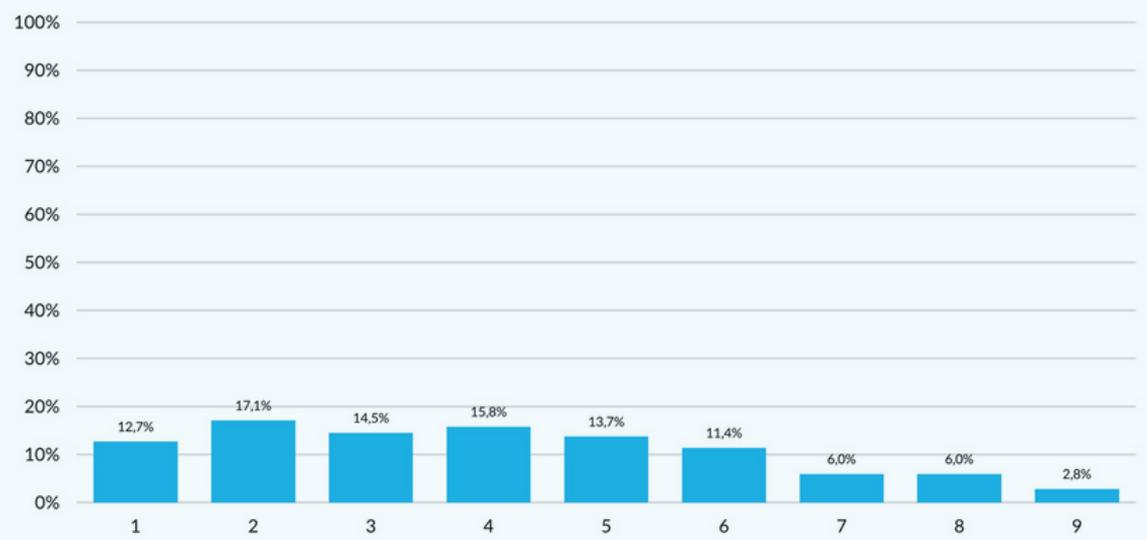
Results: Choice of employer



The employer does not offer enough flexibility and influence over the work tasks (Average score 4.1/9)

60.1% of respondents ranked this factor among the four most common reasons for quitting. 12.7% ranked this factor as the most important and 17.1% as the second most important reason for quitting.

"It is important that employers trust their employees and allow flexibility according to their needs without unnecessary extra supervision".



Distribution of responses (1=most important 9=least important)

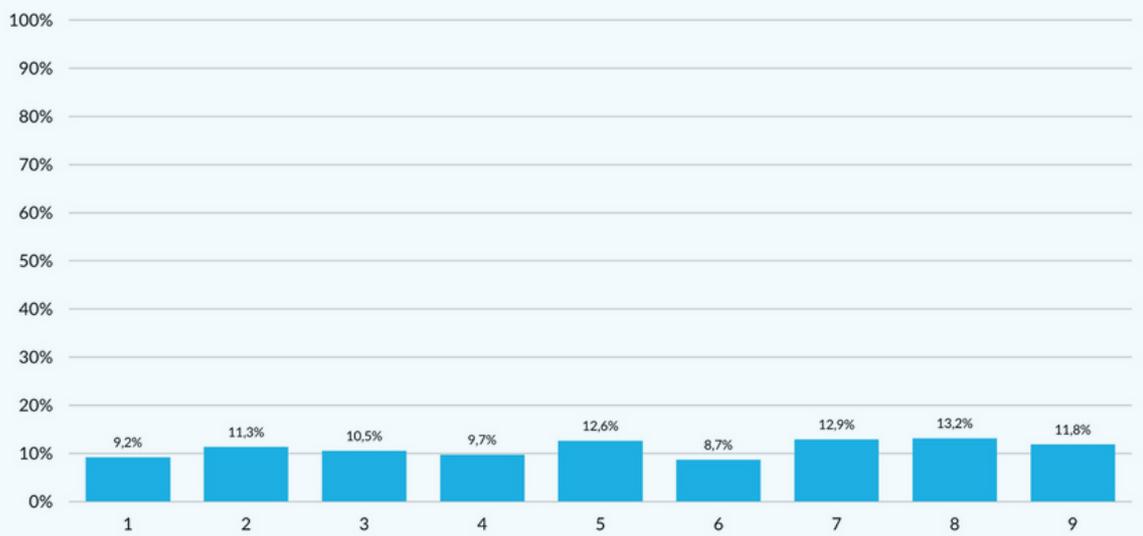


Results: Choice of employer



Business is not developing or not developing in the right direction (Average score 5.2/9)

Among respondents, the lack of development or the wrong direction of business development was divided by opinions, with 9.2% of respondents ranking this factor first and 11.8% last. Among the other rankings, the distribution was between 8.7% and 13.2%.



Distribution of responses (1=most important 9=least important)

"When business is weak or not developing favourably, employees are expected to deliver. But they can only be productive if they are treated fairly and have the freedom to come up with ideas. That's called innovation".



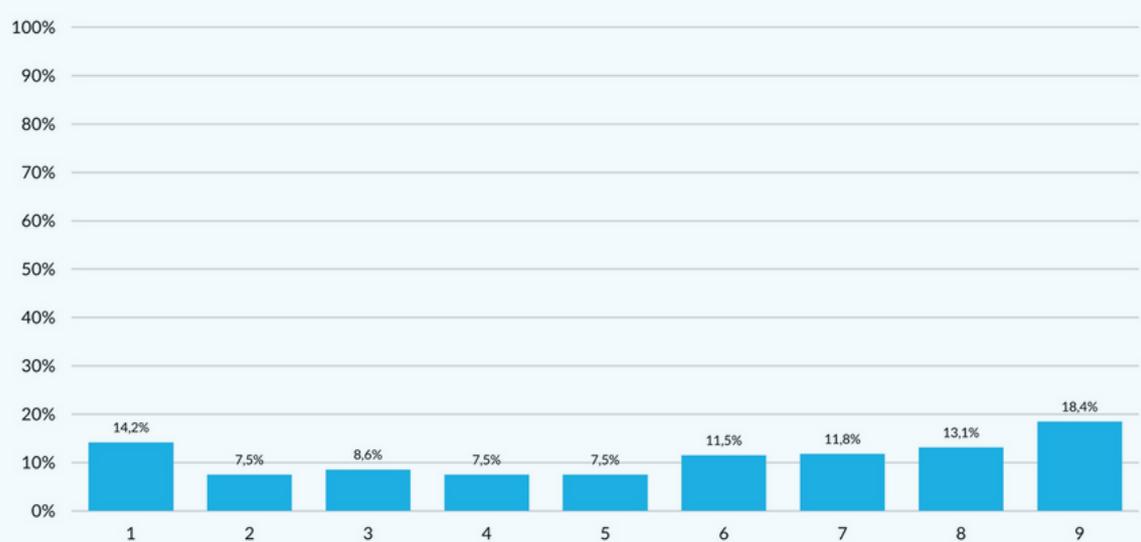
Results: Choice of employer



The future of the company seems risky (Average score 5.4/9)

The future of the company, which seems risky, is divided by opinion. 14.2% of respondents ranked this factor as the most important, but 18.4% also ranked it as the least important. However, the majority of responses were weighted towards the four least important factors (54.8%).

"Future prospects may change or be temporary, but if the direction is constantly wrong, work becomes unmotivating and job changes are inevitable".



Distribution of responses (1=most important 9=least important)

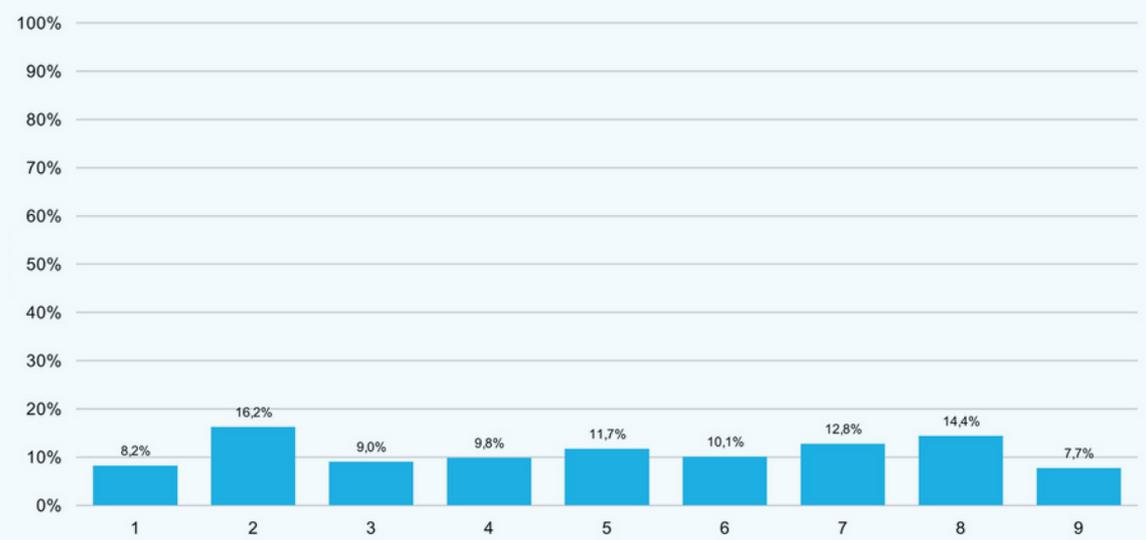


Results: Choice of employer



Corporate culture and values (Average score 5/9)

Respondents were evenly divided in their views on company culture and values. Although 16.2% (the highest response % for this factor) considered it the second most common reason for seeking new challenges and jobs, it was only the fifth most important reason on average. A large proportion also considered the factor to be unimportant, with 14.4% ranking company culture and values second to last.



Distribution of responses (1=most important 9=least important)

"If values are not respected, it is a sign of poor leadership and it also affects ethical standards".



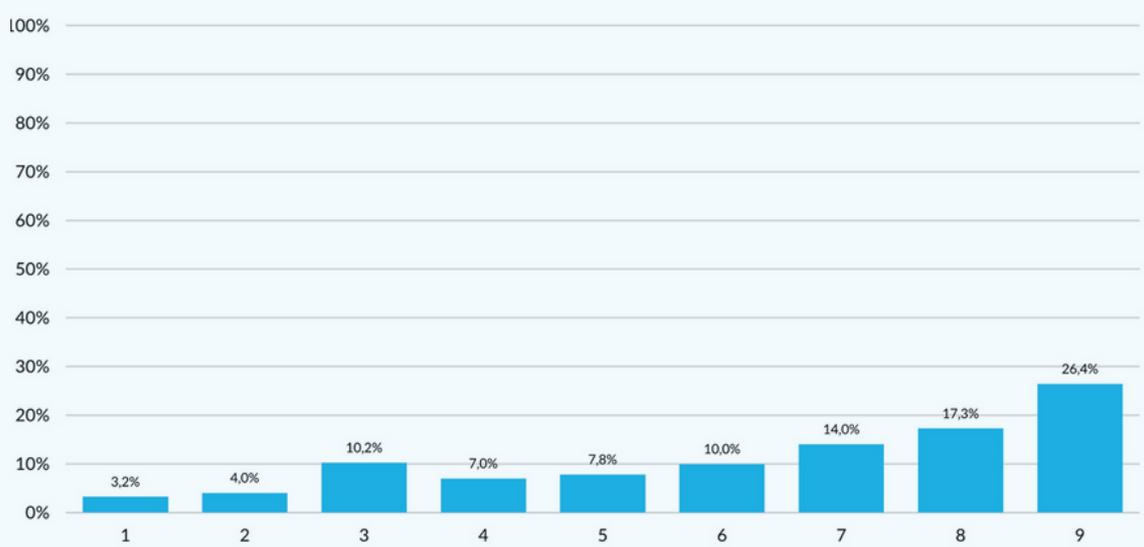
Results: Choice of employer



Social responsibility and ethical standards (Average score 6.4/9)

Social responsibility and ethical standards were not considered at all to be a significant factor in quitting the workplace. On average, this reason was ranked 6.4/9 and 26.4% of respondents considered CSR and ethical standards to be the least important factor in their decision to seek new job opportunities elsewhere, with 67.7% of respondents ranking this factor between 6 and 9.

"There is no other way to compensate for a breach of ethical standards".



Distribution of responses (1=most important 9=least important)

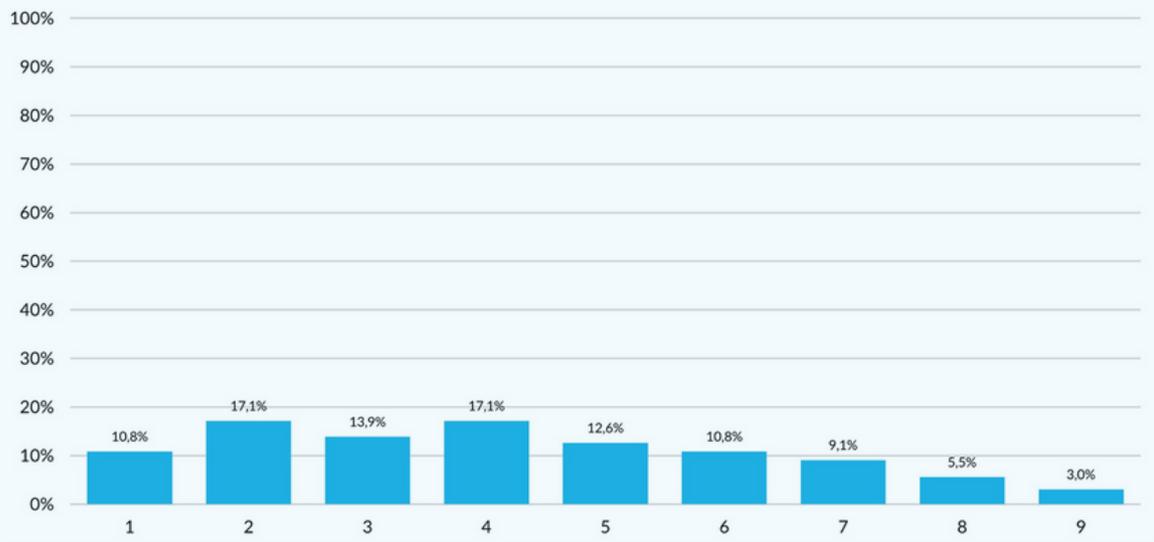


Results: Choice of employer



Lack of personal development opportunities (Average score 4.2/9)

58.8% of respondents ranked lack of development opportunities among the four most common reasons for quitting. Of all the factors, lack of development opportunities was considered the third most important reason for leaving a job. Only 28.4% ranked this factor among the four least important reasons.

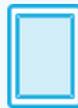


Distribution of responses (1=most important 9=least important)

"Career development opportunities is the most important factor for me. It sends a message that employees are valued within the company. At the same time, employees have the opportunity to work with top people in the industry".



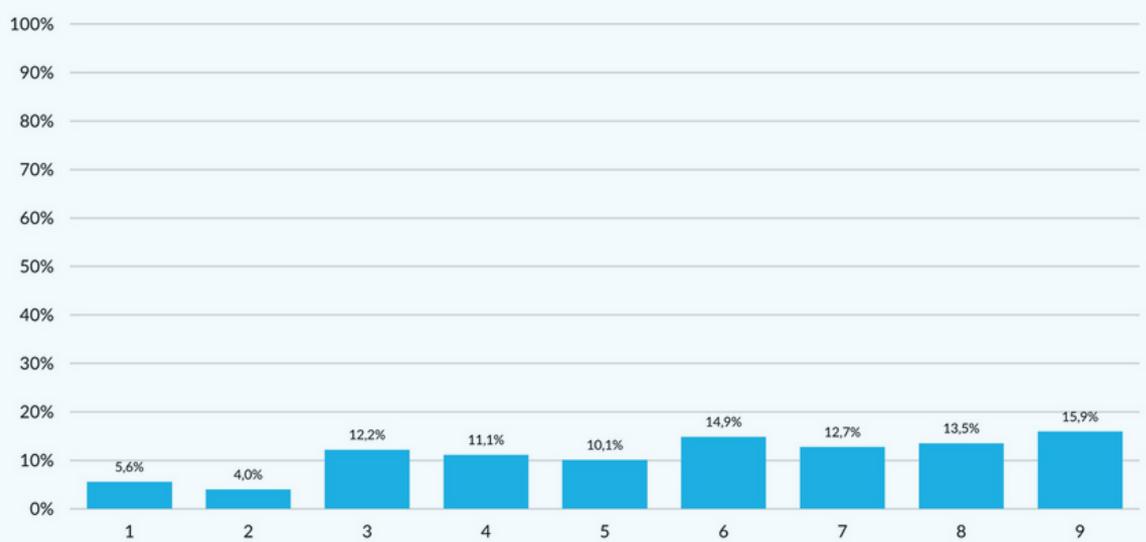
Results: Choice of employer



Poor pay and/or benefits (Average score 5.7/9)

Poor pay and benefits were not generally seen as a major reason for quitting. 57% of respondents ranked poor pay and benefits among the four least important reasons and only 32.9% among the four most important reasons, of which 5.6% in first place and 4.0% in second.

"Salary and benefits are important, but it's the career development opportunities that motivate me the most. You also have to remember that your salary increases with progression and development".



Distribution of responses (1=most important 9=least important)

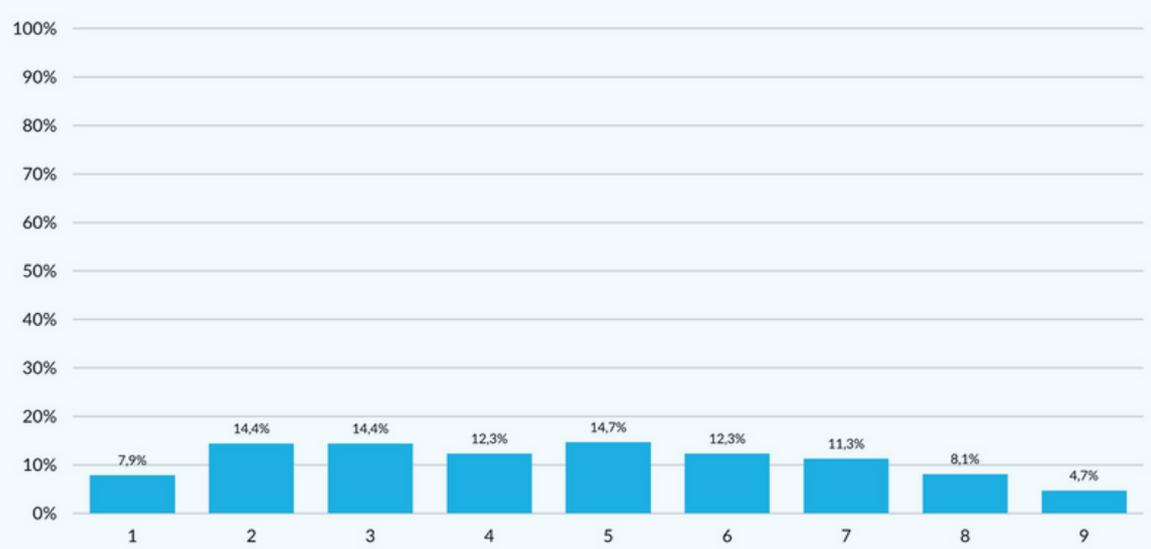


Results: Choice of employer



Absence of challenges
(Average score 4.6/9)

Among respondents, 49% ranked lack of challenges as one of the four most common reasons for quitting. The factor ranked fifth (14.7%), halfway between all factors.



Distribution of responses (1=most important 9=least important)

"If a company doesn't offer me enough challenges and opportunities to develop myself, I don't consider it a good place to work" .



"POOR LEADERSHIP AND LACK OF
DEVELOPMENT AND
MISSING OPPORTUNITIES TO SUCCEED
KILLS MOTIVATION. BREAKING ETHICAL
STANDARDS IS TOTALLY UNACCEPTABLE
AND THERE IS NO SUBSTITUTE FOR IT".

SURVEY RESPONDENT (REASONS FOR QUITTING)

Closing words

We believe that the results from the surveys suggest that during the interest rate boom, job seekers and employees are increasingly expecting employers to do more in certain areas. As physical distance has increased, leadership has taken on greater importance. Adapting to new situations has required support and guidance in the form of good leadership. Employees do not want to be alone with their problems and need answers to their questions. The importance of this should not be forgotten, especially when face-to-face contact is not an option.

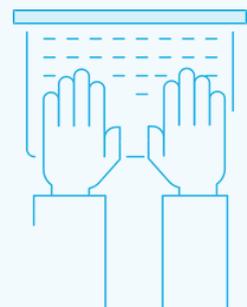
As mentioned in the introduction, the pandemic has been an enabler of digitalisation in many companies. We believe that neither the world nor working life will return to normal after vaccines. Employees are therefore looking for more flexibility and empowerment in their work.

These things bring reassurance to the worker, as it shows that business can continue as usual in the face of new crises.

While the key to survival is reactivity, the key to success is proactivity. We would be happy to discuss with you how your business can prepare for tomorrow's challenges and take advantage of the opportunities of the future.

With kindness,

Compass Human Resources Group



"WE FORGET THAT HAPPY PEOPLE
PERFORM BETTER".

SURVEY RESPONDENT (EMPLOYER'S CHOICE)



Thank you!



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