Why Employees Quit You — And How to Make Them Stay
If you’re recruiting talent in today’s talent market, you won’t be surprised to hear it’s taking longer and longer to fill open roles. As the economy improves, the average time it takes to place a candidate in a job has risen to 31 days on average, almost double from 2010.¹ Which leaves most recruiters struggling to answer two important questions: how are we going to find candidates, and what strategies can we use to overcome the odds to find the right talent for our open roles?

Open Roles Are Taking 82% Longer to Fill Than 2010¹

The best answer to these questions is far more simple than reconfiguring your candidate sourcing and recruiting practices. If you really want to streamline your recruiting and hiring, you need to do what you can to avoid having to go to the market to rehire in the first place — you need to retain the employees you already have.

At Glassdoor, we’re constantly revisiting economic data to see if we can unearth new insight into what makes an employee decide to leave their organization and what makes them decide to stay. And we’ve been surprised to find that there are several specific indicators that can influence that decision.

So, why do employees quit? And what can you do to make them want to stay? Here’s what Glassdoor’s Chief Economist, Dr. Andrew Chamberlain, has to say about his ongoing research on this topic.

¹ Source: “DHI Hiring Indicators,” by DHI Group, June 2018;
Why Do Employees Quit?

The answer to this question starts with data. In 2017, Glassdoor published a study\(^2\) using millions of Glassdoor resumes researching the questions, “How come sometimes people on their resumes, when they jump from job to job, they’re always jumping to a new company every time?” And, “How come sometimes people jump job to job, but they stay in the same company, and rise up, and thrive?”

The resulting research was a tale of two resumes: almost 75% of people are those who jump from company to company every time they change roles, and about 25% are people who stay and rise in their company.\(^2\) So, what made the difference? It turns out there are three stand-out factors that overwhelmingly influence retention: role stagnation, company culture, and pay.

### Role Stagnation

Role stagnation occurs when an employee stays in the same job title for a long period of time without advancement. What we found in the Glassdoor economic data is that for **every 10 months someone stays in the same job title, it makes them 1% more likely to exit the company the next time they change roles.**\(^2\) So, whether you intend to send a signal or not to employees, when you let people stagnate in a role, you’re really sending the signal to them that they will have to look elsewhere if they want to advance.

### Company Culture

The second factor that drives people out the door is company culture. The data reveals that employees who leave almost always ended up going somewhere with better Glassdoor ratings along certain dimensions such as culture and values. And makes it clear that people are paying attention to things beyond pay. In fact, we found that a one-star difference in Glassdoor rating amounted to a 4-5% more likelihood that they will leave the company for their next role.\(^2\)

### Competitive Pay

Employees also walked out the door when their compensation isn't at the market rate. While pay is not the biggest factor, it definitely matters. To the extent that when an employee in theory was ready to change to their next job, 10% higher pay made people about 1.5% more likely to stay with the company.\(^2\) But pay is not just about what your compensation tools tell you. It’s also an employee’s perception of the market rate for their work. What matters to employees is what they think the pay is elsewhere, which brings new pressure to the increasing pay transparency of today.

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How Can You Make Employees Want to Stay?

What we’ve covered so far is what the research says about your existing workforce. When we look at how to encourage future employees to stay, the factors shift slightly. As it turns out, there are four pillars of great employee retention that can be used to identify high-potential employees and create a working environment in which they are more likely to stick with your company.³

1. **Seek Out Informed Candidates**
   The first pillar for hiring people who will stay longer is seeking out informed candidates. Candidates can be informed by what you communicate to them through your employer brand and job listing, as well as by the information they find online through their own research and research on your company page on Glassdoor. Glassdoor research indicates that these people tend to stay longer in jobs, which has long-term benefits for both your company culture and your re-hiring costs.

2. **Pay Competitive Salaries**
   The second pillar is offering competitive pay. This might seem to be common sense, but competitive pay is not just what your compensation tools tell you. Today, candidates are looking online at salary estimates on places like Glassdoor and using that information to make their decisions, so their perception of their worth is important, too.

3. **Build Company Culture**
   The third strategy is building a vibrant company culture. Our research shows that culture is a really important driver of why people stay and thrive at companies. In fact, every piece of research we’ve done identifies culture as a bigger factor than pay, even though pay is what gets people in the door. If you don’t have a recruiting strategy that’s consistently benchmarking culture and monitoring it against the competition, you’re missing out on an enormous opportunity to retain your employees.

4. **Create Clear Career Pathways**
   The fourth and final strategy for hiring people who stay longer is building career pathways inside your company. Because the skills landscape in the job market today is changing very rapidly, nobody’s job today is going to be the same 10 years from now. Companies that don’t acknowledge this and plan for it by letting people’s jobs change with them and their priorities are missing an opportunity to keep talent in-house. If you let people grow within your company, they won’t have to jump ship and move to another company to keep growing in their skillset.

Research and Tools That Drive Employee Retention

At Glassdoor, we believe that hiring is one of the most important factors in the success of a business. And with the intense, ever-changing job market and economy, the role of the recruiter and the hiring manager is even more challenging and competitive than ever before. That’s why it’s so important to counter the increasing pressure to hire fast and hire well with expert tools and resources based on both accurate economic research and real-life company successes. We hope this data about why employees leave can lead to breakthrough insights for your unique organization into how you can make them want to stay so that your workforce can become — or continue to be — your competitive advantage.

About Glassdoor

Glassdoor is the second largest job site in the U.S. today. Set apart by the tens of millions of reviews and insights provided by employees and candidates, Glassdoor combines all the jobs with this valuable data to make it easy for people to find a job that is uniquely right for them. As a result, Glassdoor helps employers hire truly informed candidates at scale through effective recruiting solutions like job advertising and employer branding products. Launched in 2008, Glassdoor now has reviews and insights for approximately 900,000 companies in more than 190 countries. To stay up to date on employer-related news, industry trends and hiring tips, visit the Glassdoor for Employers Blog.

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Post Job Now

To get involved in the conversation on Glassdoor and start managing and promoting your employer brand, email employers@glassdoor.com, call (415) 339-9105 or visit www.glassdoor.com/employers.

For the latest in recruitment marketing tips, best practices and case studies, follow us on Twitter: @GDforEmployers.

3. Source: comScore Media Metrix, March 2019; 4. Source: Glassdoor Internal Data, September 2018; 5. Source: Google Analytics, Unique users represents peak monthly unique users in CQ1’19