American Workers’ Reasons for Switching Jobs

Louise Underdahl, Ph.D.
Executives are looking internally to address capability gaps; over 50% advocate building skills of existing employees, ahead of hiring, talent redeployment, and contracting in skilled workers.

McKinsey, 2022

The 2022 Career Optimism Index was created to determine the impact of another challenging year on Americans’ career perceptions and to gauge their level of optimism in their own careers. The Index was expanded to explore new topics related to job and career shifting and needs for reskilling and upskilling (Edelman, 2022). The Index provides a current snapshot of career optimism in the United States and the 20 largest metropolitan areas; the 20-minute online survey was distributed to the following:

- 5,000 United States (U.S.) nationally representative adults, age 18+ who either currently work or wish to be working.
- 500 U.S. employers who are influencers or play a critical role in hiring and workplace decisions within a range of departments, company sizes, and industries.

Results indicate 69% of employees would consider staying at their current job “if they thought things could change” and 76% of employers are “concerned” about turnover (Edelman, 2022). Data represent opportunities for employees, employers, educators, and policymakers:

- Employees can embrace “lifelong employability” as a “mind-set of continuous skill improvement” (Davies et al., 2019) and participate in learning, training, and education programs.
- Employers can create “career pathways with upward mobility” (Lund et al., 2021, p. 100) and proactively launch upskilling initiatives (Carnevale et al., 2020) to reduce turnover
- Educators can reimagine education and adult training to synthesize foundational attitudes and skills (DELTAs) linked to positive outcomes in employment, income, and job satisfaction (Dondi et al., 2021).
- Policymakers can support employee transition by expanding the digital infrastructure, providing tax incentives to encourage employers to offer and employees to utilize job retraining, and adopting skills-centric approaches to navigate job transition (Lund et al., 2021).

This white paper describes factors contributing to employee turnover, employer initiatives to reduce turnover, and an ecosystem approach to removing silos between employers, employees, educators, and policymakers.

Why Employees Leave

U.S. Bureau of Labor Statistics data indicate over 4.3 million people voluntarily quit their jobs in December 2021 (De Smet et al., 2022), with 10.9 million current job openings exceeding the 6.3 million new hires. With 52% of Americans either actively looking for a job or expecting to look for one in the next six months (Edelman, 2022), factors contributing to employee turnover range from suboptimal compensation, lack of opportunity for upward career mobility, desire to balance work and life priorities, and interest in working flexible hours to lengthy commutes and misalignment of corporate and individual values.

Table 1

Most Workers are After Higher Pay
Note: From "The University of Phoenix Career Optimism Index, DxI, Research Findings-National Data and DMHA Findings," slide 45, by Edelman DxI, 2022, University of Phoenix.

Compensation issues represent key drivers in employee turnover: The 44% of Americans who are not satisfied with their salaries cite lack of raises, impact of inflation on the economy, and being underpaid despite skill level and work effort (Edelman, 2022; Mahan et al., 2019). Dissatisfaction with compensation is complemented by issues associated with career development, work–life balance, manager behavior, well-being, job characteristics, work environment, relocation, involuntary turnover, and retirement (Tenakwah, 2021; Work Institute, 2020). The 42% of American workers who see themselves in “dead end” jobs (Filomena & Picchio, 2021) are unable to see a clear path for career advancement because they believe technology has outdated their job skills (Edelman, 2022). Of the 17.1 million U.S. employees potentially needing to change jobs in the post-COVID-19 environment, 14.9 million may need to find work in different occupational categories (Lund et al., 2021, p. 85).

Why Employees Would Stay

In addition to seeking higher compensation, employee expectations now encompass professional development, workplace flexibility, meaningful work, support for mental and physical health, and inclusive culture (De Smet et al., 2022). Of the 69% of employees who report willingness to remain in their present position throughout their career “if things could change at my job,” 68% expect upskilling and 65% expect reskilling (Edelman, 2022).

Table 2

Most Employees Would Consider Staying
Developing employees’ digital competencies is a priority, with 94% of business leaders expecting workers to learn new skills on the job, 40% of which will require retraining within six months (Centre for Economics and Business Research, 2020; Gouda, 2022). Research indicates 87% of millennials prefer to work for companies that provide professional career development opportunities and Fortune 500 companies such as PWC have initiated upskilling and reskilling about 50,000 U.S. employees (Tenakwah, 2021). Since technical skills require regular updates, employer-based reskilling and upskilling can significantly improve retention.

**What Employers Can Do**

Data suggest 78% of global turnover could have been prevented (Work Institute, 2020) and employers have a wide range of opportunities to improve retention:

- Robust onboarding processes with mentoring, team building, coaching, and socialization (Tenakwah, 2021).
- Flexible work schedules: companies such as Facebook, Okta, Zillow, Slack, Coinbase, Shopify offer remote work as an option (Tenakwah, 2021).
- Reskilling and upskilling employees: 53% of executives advocate building skills of existing employees as the most useful way to address capability gaps, ahead of hiring, talent redeployment, and contracting in skilled workers (Benedet & Nikolov, 2022).
- Attractive benefits program: one in three employees switched jobs during the COVID-19 pandemic to obtain a more competitive benefits package, defined as tuition assistance or related educational programs (Tenakwah, 2021).
- Inclusive leadership: demonstrating accountability, allyship, and humility increases employee retention (Tenakwah, 2021).

**Table 3**

*What Employers Can Do*
Note: From "The University of Phoenix Career Optimism Index, DxI, Research Findings-National Data and DMHA Findings," slide 62, by Edelman DxI, 2022, University of Phoenix.

The good news? Employers can reach out to the 69% of employees who would consider staying at their current job “if things could change” and potentially influence the 31% of employees who are not currently willing to stay at their job (Edelman, 2022) by reframing challenge as opportunity.

Design thinking and reframing facilitate viewing challenge as opportunity (Coutu, 2002; Sotile & Sotile, 2002) by seeing “things in a new way” (Kolko, 2010, p. 23). Challenges are crafted in the conceptual context of a “frame” (Schön, 1984). Reframing “recasts” the original research design (the “frame”) in new perspectives (Kolko, 2010, p. 23). Employers can reframe challenges (Edelman, 2022) as opportunities:

Table 4

Reframe Challenge as Opportunity

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>82% of employers say they offer full or partial support for additional</td>
<td>Target the 56% of employees who are not aware that employers offer support</td>
</tr>
<tr>
<td>education or training; 44% of employees are aware that employers</td>
<td>for additional education or training with details on available resources.</td>
</tr>
<tr>
<td>offer support for additional education or training.</td>
<td></td>
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<tr>
<td>Finding the time for employee training.</td>
<td>Reclaim time from recruitment and onboarding and train existing employees.</td>
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<tr>
<td>Employee interest in participating.</td>
<td>Generate employee interest in “lifelong employability” by modeling attitudes</td>
</tr>
<tr>
<td></td>
<td>and skills associated with positive outcomes in employment, income, and job</td>
</tr>
<tr>
<td>Budgeting enough money for learning and development programs.</td>
<td>satisfaction.</td>
</tr>
<tr>
<td></td>
<td>Reclaim funds from recruitment and onboarding and direct toward learning</td>
</tr>
<tr>
<td></td>
<td>and development programs for existing employees.</td>
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</tbody>
</table>
**Challenge**

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alignment on what learning and development programs should look like at the company.</td>
<td>Partner with educators and policymakers to identify organization-specific skills gaps.</td>
</tr>
<tr>
<td>Lack of partners to support our learning and development program.</td>
<td>Communicate with employers, employees, educators, and policymakers about “lifelong employability” to help people continually and successfully adapt as the economy evolves.</td>
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</tbody>
</table>

*Note: Adapted from "The University of Phoenix Career Optimism Index, DxI, Research Findings-National Data and DMHA Findings,” slide 62, by Edelman DxI, 2022, University of Phoenix.*

Recognizing that skill building is foundational to successful skill transformations (Billing et al., 2021), as McKinsey states, employers are “looking inward, not outward” and:

More companies are building talent internally rather than externally. Over 50 percent of executives believe that developing the skills of their existing workforce is the most useful approach to address capability gaps—rather than hiring new workers, redeploying talent, and contracting in skilled workers. (McKinsey, 2022, February 25, para. 1)

**Table 5**

*Closing the Capability Gaps*

<table>
<thead>
<tr>
<th>Top action to close the capability gaps in the next year, % of respondents (n = 868)</th>
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<tbody>
<tr>
<td>53% Building skills</td>
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<tr>
<td>21% External hiring</td>
<td></td>
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<tr>
<td>20% Redeploying people</td>
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<tr>
<td>6% Contracting workers</td>
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</tbody>
</table>

*Note: Adapted from "Look Inward, Not Outward," para. 1, by McKinsey, February 25, 2022.*

**What Educators Can Do**

A 2019 survey of 18,000 people in 15 countries identified skills citizens may need in the future world of work and strategies to optimize curricula and learning strategies (Dondi et al., 2021). Researchers identified specific DELTAs, defined as a mix of skills and attitudes, associated with better outcomes for employment, high income, and job satisfaction:

**Table 6**

*DELTAs Associated with Better Outcomes*
<table>
<thead>
<tr>
<th>Outcome</th>
<th>DELTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>Synthesizing messages</td>
</tr>
<tr>
<td></td>
<td>Coping with uncertainty</td>
</tr>
<tr>
<td></td>
<td>Adaptability</td>
</tr>
<tr>
<td>High Income</td>
<td>Self-confidence</td>
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<tr>
<td></td>
<td>Work-plan development</td>
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<td></td>
<td>Organizational awareness</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>Self-confidence</td>
</tr>
<tr>
<td></td>
<td>Coping with uncertainty</td>
</tr>
<tr>
<td></td>
<td>Self-motivation and wellness</td>
</tr>
</tbody>
</table>

*Note: Adapted from "Defining the Skills Citizens will Need in the Future World of Work," Exhibit 5, by Dondi et al., June 25, 2021, McKinsey.*

Educators can reimagine education and adult training to synthesize foundational attitudes and skills (DELTAs) linked to positive outcomes (Dondi et al., 2021). Employers and educators can collaboratively reframe human-capital development to integrate foundational DELTAs, encompassing early childhood, primary, secondary curricula, postsecondary, and adult learning (Dondi et al., 2020). Partnerships with policymakers can promote research and innovation in education to “future-proof” citizens’ ability to work (Dondi et al., 2020, p. 1).

Employers' demand for social and emotional skills, defined as interpersonal skills and empathy, negotiation, leadership, and initiative taking, could increase 25% in the post-COVID-19 environment because such tasks are not easily automated. Educators can contribute by strengthening individuals' capacity for the adaptability and continuous learning associated with mastering new skills as technology evolves. To illustrate, Lumina Foundation (2022) partners with employers, educators, and policymakers interested in redefining work and learning:

> When systems of work and learning are coordinated, a job is never a dead end. Nearly any job can become a pathway to further skill-building, greater employability, and increased opportunity. The benefits to workers are clear: a life of continued intellectual growth, skill-building, and upward mobility. Businesses and other employers also gain by cultivating skilled personnel who have specialized knowledge, the ability to do work more productively, and higher morale. (Lumina, 2022, para 2-3)

Partnerships between educators and employers in developing curricula can enhance students’ understanding of the professional workplace and capacity to communicate, be empathetic, and solve problems (Dingli & Azzopardi, 2021)

**Ecosystem Approach to Removing Silos**

Addressing post-COVID-19 workforce challenges mandates coordination and cooperation between employers, employees, educators, and policymakers; silos have no place. “Social dialogue has a key role to play in promoting skills development by ensuring the collaboration of key stakeholders throughout the planning and implementation processes” (International Labour Organization, 2021, p. 39). Employer and educator partnerships can be mutually beneficial to “learn about learning” (Davies et al., 2019, p. 2) informed by neuroscience, psychology, sociology, and pedagogy in general and adult learning. Evidence suggests microlearning, defined as conveying information in short, 15- to 30-minute bursts, is more effective than longer sessions; digital technologies and virtual reality can help (Davies et al., 2019). Flexible learning options, including self-directed asynchronous online learning and artificial intelligence, can help employees process new
information (Davies et al., 2019). Big data can optimize learning and development through targeted, program-specific, customized experiential content (Davies et al., 2019).

Expanding digital infrastructure could involve private and public funding and improve information, communication, and services to marginalized communities (Lund et al., 2021). Providing income support to mid-career workers being retrained to change occupations could encourage employees to capitalize on opportunities to gain new skills. Policymakers can also strengthen employees’ ability to navigate job transition processes by developing skills-centric approaches to identifying new employment opportunities (Lund et al., 2021).

Consider the HSBC Malta Foundation’s Human Capital Research Project as an ecosystem: Supported by the Ministry of Education, the Malta Chamber of Commerce, the Malta Business Bureau, the University of Malta, and the Malta College of Arts, Science and Technology, the Human Capital Research Project is designed to achieve “a more cohesive approach . . . this is not about academia vs industry but more about the leading players working together to solve the shared problems which our country will face in the coming decades” (Dingli & Azzopardi, 2021, final para.). McKinsey Global Institute (Lund et al., 2021) is succinct:

An ecosystem approach that brings together businesses, policymakers, educators, and other stakeholders might prove more effective than isolated efforts at addressing workforce challenges, based on past experience. Company initiatives to reskill workers are more robust when supported by educational institutions. The work of educators and social enterprises to train workers in more sought-after skills is most effective when coordinated with efforts by government agencies aligned to company needs. (Lund et al., 2021, p. 99)

**Conclusion**

While employees are leaving or switching jobs in record numbers in the post-COVID-19 environment, the 2022 Career Optimism Index identifies opportunities for employers to address employee needs and create a win/win scenario: Employers win. Employees win. The key to success? Communication between employers and employees to ensure 100% of employees know what resources their employer provides. Communication between employers, employees, educators, and policymakers about “lifelong employability” to help people continually and successfully adapt as the economy evolves. Embracing the idea of lifelong employability will help workers remain relevant and ensure that employers have the flow of skilled workers they need and could even improve retention by exciting employees about their career prospects and potential. (Davies et al., 2019)
References


