

THE HEARTBEAT SERIES

# The Great Regeneration

An Analysis of Employee Turnover Intentions  
by Industry and Region



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# Introduction

The year 2021 was a watershed moment for organizations around the world. The gradual easing of COVID-19 restrictions acted as a catalyst for “return to work” planning, while also surfacing a number of employee expectations that had previously gone unnoticed.

It was also the year of “The Great Resignation,” with more than [24 million Americans](#) quitting their jobs between April and September, and 14 million Europeans exiting the labor market altogether. According to Workday benchmarking, global annual voluntary attrition steadily increased from 14% in April to 19% in October

In our previous report, [“The Great Regeneration: Turning the Tide on Employee Resignations,”](#) Workday found that 27% of employees displayed elevated levels of attrition risk, caused largely by the additional pressures of COVID-19 and evolving expectations about the future of work.

Building on our previous analysis, this update looks more closely at employee turnover intentions across different industries and regions—and identifies the driving factors.

By applying relevant insights and the right resources to understand and improve the employee experience, it’s possible for organizations to not only prevent further employee turnover, but also to directly impact the ongoing success of their business. That’s why at Workday, we’re referring to this potential for growth and uplift as “The Great Regeneration.”

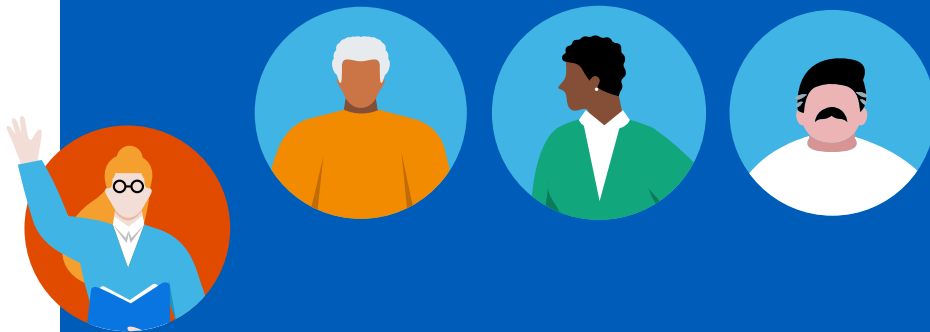
## Methodology

The Workday Peakon Employee Voice database consists of over 190 million employee survey responses and 30 million employee comments from across 160 countries. The following insights are based on the scoring behaviors of 1,046,912 employees across 250 organizations worldwide, covering the 12 months between October 2020 and October 2021.



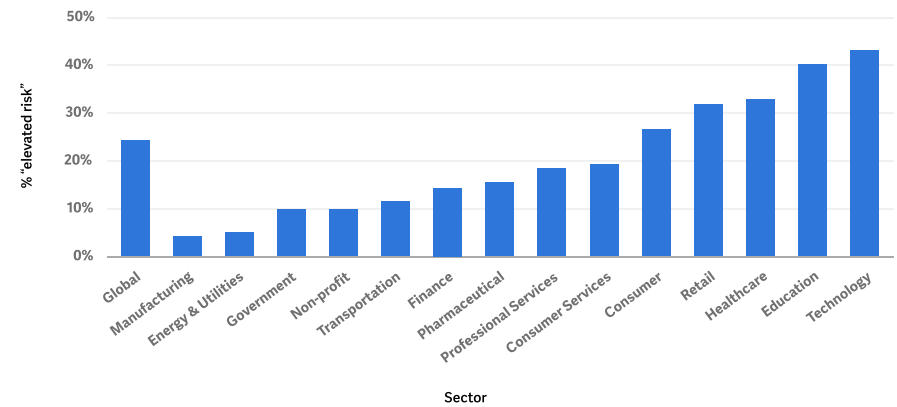
# 1.0

## One in four employees displays signs of turnover intention.



Our updated analysis of employee turnover intentions over the 12 months between October 2020 and October 2021 found that 25% of the global workforce displays an elevated risk of attrition. This risk is defined as a probability of leaving above 50%, with levels ranging from above average to very high, depending on factors such as scoring behavior and survey responsiveness.

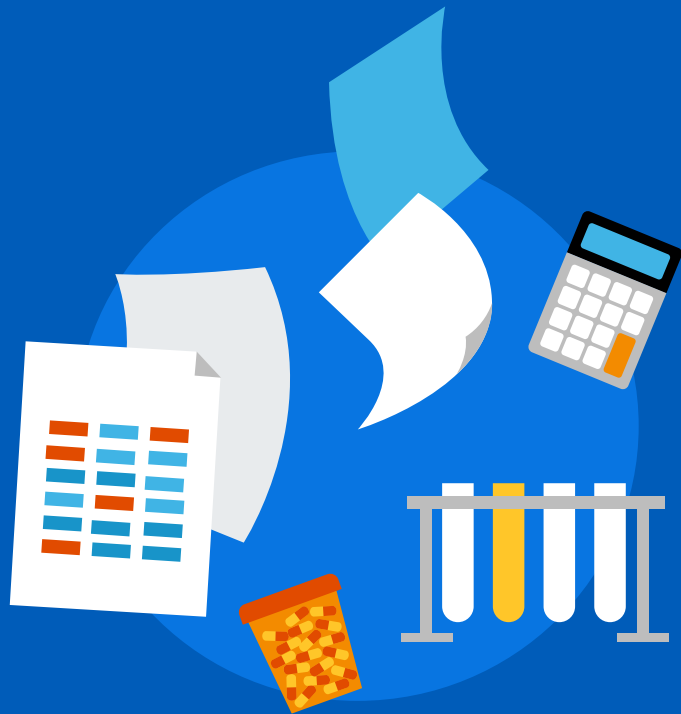
% employees by sector in an elevated risk category of attrition



As organizations look ahead to an expected period of growth, the proportion of employees with turnover intentions represents a significant financial and operational risk. Companies expecting to return to “business as usual” without a concerted effort to remake the employee experience could end up losing out to those adopting a more sophisticated people strategy.

## 2.0

# Employee turnover intention across different sectors.



Understanding how external factors influence the employee experience within different sectors is an essential part of improving overall engagement levels. As patterns begin to emerge based on employee survey responses, it becomes much easier to benchmark employee turnover and to understand what actions need to be taken in order to retain a higher percentage of people.



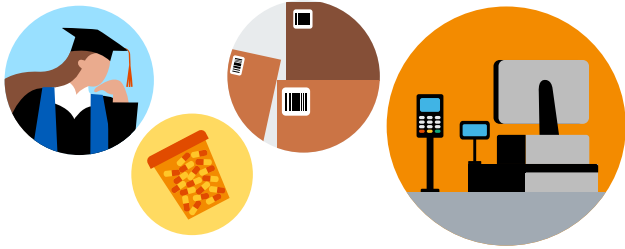
### 2.1 Technology.

Of all the different sectors benchmarked within Workday Peakon Employee Voice, technology has the largest proportion of employees, with an elevated turnover risk at 43%.

While the adaptability of technology companies allowed many organizations to adopt remote working much more quickly than other sectors during the COVID-19 pandemic, it has also shown employees that it's possible to embrace a more flexible way of working—regardless of external circumstances.

This was one of the key findings from the [Workday Employee Expectations 2021 report](#), which found that the proportion of employee comments related to flexible work increased by 125% in 2020 compared to the year before. The pandemic has catalyzed employee sentiment around this topic, which now forms a core of expectation of employees for the future of work.

Organizations planning to continue flexible working in 2022 have a significant advantage when it comes to retaining and attracting top talent, especially as more than half of employees would consider leaving their job if they were not offered some form of flexibility in where and when they work, according to the [EY 2021 Work Reimagined Employee Survey](#).



## 2.2 Frontline sectors: higher education, healthcare, retail, and consumer goods.

After technology, the higher education (41%), healthcare (33%), retail (32%), and consumer goods (27%) industries have the highest proportion of employees with an elevated risk of attrition.

A common factor among all of these sectors is that the majority of employees were often [working on the front lines](#) during the COVID-19 pandemic. Increased workloads, public-facing work environments, and less opportunity for remote work has led to increased levels of burnout and concerns about the ongoing health and well-being of employees within this sector.

Within the higher education sector, more than half of all faculty are considering a career change or retirement, with tenured faculty members even more likely to retire than others, according to research from [The Chronicle of Higher Education](#).

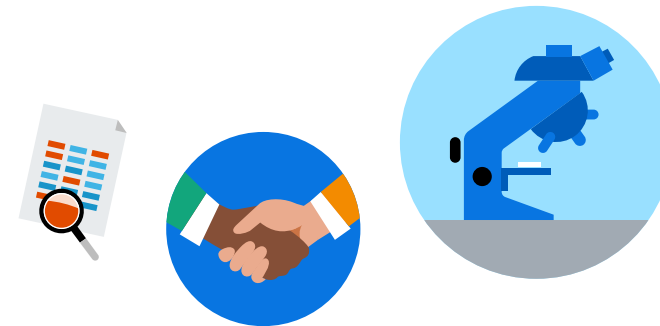
Many of those cited in the research mentioned high levels of stress, a deterioration of work-life balance, and concerns about returning to the classroom. [The Chronicle of Higher Education](#) also found that these effects have been felt more acutely by women than men, with 74% of all female faculty feeling overworked and overwhelmed, compared to 63% of men.

Healthcare faces similar challenges, with 22% of nurses stating that they may leave their current position within the next year, as reported by [McKinsey](#) in August 2021. And while many hospitals are responding by increasing wages and recruitment efforts, there is a distinct lack of investment in non-monetary incentives such as

upskilling and introducing flexible schedules—with less than 10% of respondents planning to introduce strategies aimed at the employee experience, according to the same report.

When looking at [how The Great Resignation has impacted retail](#) and consumer sectors, there are two significant factors at play: the first is the need to ensure the ongoing health and safety of employees; the second, to adapt in the face of an accelerated shift toward digital revenue streams.

Some of the key focus areas for this digital transformation in retail include better workforce management to meet fluctuating demand, improved training and growth opportunities for employees, and aligning the online and in-store customer experience.



## 2.3 Professional services, life sciences, and financial services.

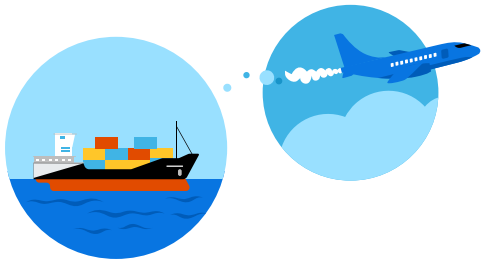
The proportion of employees with elevated turnover intentions within professional services, life sciences, and financial services currently sits at 19%, 16%, and 15%, respectively.

Some sectors fared better than others in retaining employees, such as life sciences, which took a central role in tackling COVID-19; but overall, all three sectors were able to adapt ways of working to overcome the challenges of an uncertain economic climate.

The task for many organizations within these sectors is now similar in many ways to that of the tech sector. Many employees now realize that working remotely and other flexible practices are possible—although not necessarily a priority—and have started to question how the employee experience could be improved. They are also much more willing to voice these ideas openly.

Another prominent employee expectation is belonging and diversity (B&D). The proportion of [employee comments about B&D almost doubled in 2020](#), with employees more likely to speak out about B&D by 38% more than the previous year. Not only is this a pressing concern for employees, but it can also support [innovation](#) and increase an organization's [resiliency](#) during a crisis.

Similarly, gender equality is a consistent theme within employee feedback, highlighting the need for organizations across all sectors to consider the multidimensional nature of diversity and explore strategies and programs for creating a more equitable and inclusive employee experience.



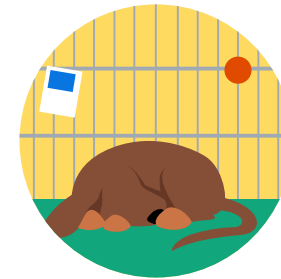
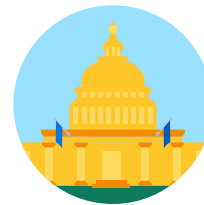
## 2.4 Transportation.

The transportation sector encompasses everything from local public transport to international freight shipping, and while there was a significant decrease in the amount of people using public transport as a result of the COVID-19 pandemic, [container shipping rates actually increased](#).

Despite the global decline in the use of public transit during the pandemic, a combination of furlough schemes in many parts of the world and increased

demand for container shipping help to explain the relatively low levels of attrition risk (12%) in the transportation sector.

However, the events of the global pandemic, including supply chain issues and goods shortages in some parts of the world, highlight the need for organizations in the transportation sector to focus on building more resilient systems. As well, organizations should invest in employee development so they can meet the ongoing transition toward more sustainable technologies.



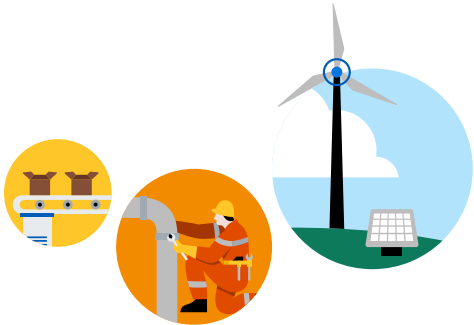
## 2.5 Government and nonprofit.

According to data from the [U.S. Bureau of Labor Statistics](#), employees in the public sector had a median tenure of 6.5 years—nearly twice the median of 3.7 years for private-sector employees. The likelihood to stay in a role for longer appears to be reflected in the small proportion of employees (10%) that display elevated levels of turnover intention during our analysis period.

In addition to the job security associated with government employment, many employees also benefit from competitive pay rates, health insurance, and pension packages. Monetary incentives alone are not enough to keep people engaged, but they can provide a powerful reason to stay, especially during uncertain economic times.

Within the nonprofit sector, only 10% of employees have an elevated level of attrition risk. They may not enjoy the same financial benefits as government employees, but there is a common theme between the two. Employees within both sectors are often much more mission-oriented, meaning they are more likely to stay for a purpose rather than a paycheck.

These unique circumstances do not mean that organizations can overlook the employee experience. Purpose may not be enough for all nonprofit employees, while employees within different government departments may have different engagement priorities. Having visibility into and acting on employee feedback is the only way to ensure ongoing loyalty and engagement.



## 2.6 Energy and utilities, and manufacturing.

The sectors with the lowest levels of employee turnover intention include energy and utilities with 5% of employees displaying turnover intentions, and in manufacturing with 4%.

One of the possible explanations for the low levels of employee turnover intention within these sectors is the localized nature of employment opportunities. Within the U.S. in particular, a number of towns and cities rely much more heavily on large manufacturers than others—which in turn reduces the likelihood of employees leaving their current role.

Similarly, many of the employment opportunities within the energy and utilities sector are tied to specific locations, such as local power plants, offshore refineries, and solar farms. Several of these roles also require specialized skills, which reduces

the overall number of opportunities available and increases the compensation and benefits associated with those that are.

These factors taken together make it much more likely that employee loyalty will remain high, especially during uncertain economic times. Public awareness of how important these sectors are has also increased as a result of the pandemic, making the work more meaningful in turn.

Looking ahead, organizations will need to maintain their focus on health and safety while also supporting the growth and development of employees as these sectors transition toward more sustainable technologies and introduce various forms of automation.





# 3.0

## Regional differences in employee turnover intention.



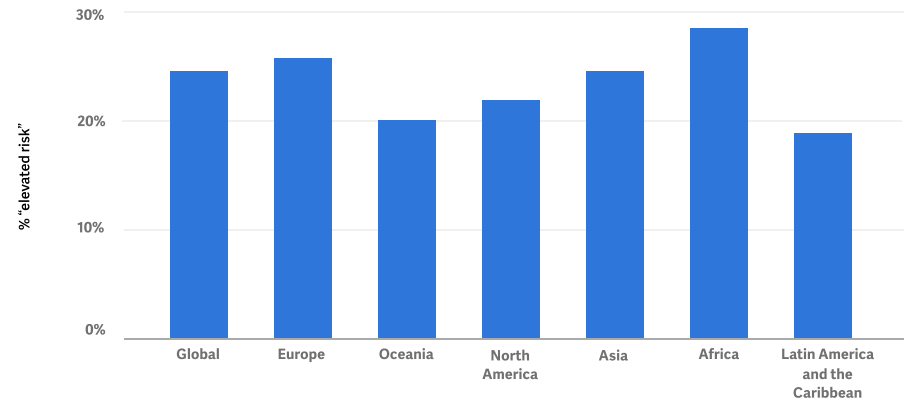
Based on the data available for the 12 months since October 2020, it's clear that there are significant variations in levels of attrition risk across different sectors. But when looking at regional differences, these variations are much less pronounced.

Two of the most notable regional differences are the relatively low levels of employee attrition risk in Australia and New Zealand, as well as Latin America and the Caribbean—for what seem to be very different reasons.

In Latin America and the Caribbean, 26 million people lost their jobs as a result of the pandemic shutdowns last year, according to the U.N.'s [International Labour Organization](#). With so many people in search of work, it's possible that many employees in the region have no immediate plans to leave their job—despite how they might feel about their current role.

A different story emerges in Australia and New Zealand, especially based on recent reports that [resignation rates in Australia have actually been falling](#). Regardless of the specific reasons, the challenges for organizations remain the same: how to improve the employee experience in a way that retains and attracts the best talent while also creating conditions for growth and ongoing organizational success.

% "elevated risk" vs. Region



While obvious cultural differences exist across the world, there are also a number of universal factors that influence human motivation. One of the most widely accepted theories in the scientific community is [Deci's and Ryan's self-determination theory](#).

This theory outlines three fundamental psychological needs critical for motivation: autonomy (a sense of control over our lives), relatedness (connecting with others and experiencing a sense of belonging), and competence (feeling capable in our interactions with the world).

Organizations have more to gain from focusing on these similarities than looking only at differences. Those with a more mature people strategy can hone in on these to ensure a more inclusive employee experience, but without the proper foundation, organizations run the risk of spreading themselves too thin and reducing the likelihood of creating meaningful change.

Simultaneously, while the pandemic has had a more significant impact in some parts of the world than others, over a long enough timescale employees in different regions have had to face a very similar set of challenges related to their working lives. Unlike many other virus outbreaks, the impacts of the COVID-19 pandemic have been felt almost universally.

Finally, the pandemic has been a catalyst for breaking down regional talent divides on a local and global scale. There is now a much more global pool of talent available to organizations as remote and flexible working cultures have become more commonplace. As those barriers dissolve, it's likely that regional differences will continue to become less pronounced.



# 4.0

## Embracing a more agile approach to the employee experience.



One of the main reasons that current levels of employee turnover intentions are so high is because many organizations were unable to quantify the impact that the pandemic was having on their employees in real time—let alone prioritize the right actions to increase engagement.

Organizations with access to continuous, actionable insights were able to use this as a window of opportunity to take on employee feedback and adjust the employee experience accordingly—laying the foundation for higher levels of engagement and productivity post-pandemic.

This is an ongoing process, which many organizations have since embedded into the way they operate—allowing them to tap into a newfound agility and confidence in the face of ongoing change and uncertainty.

There are still a number of challenges ahead for organizations—most notably the high potential of burnout, the pressure placed on employees who were not part of “The Great Resignation,” and the [skills gap](#) that will need to be addressed as more industries embrace digital transformation and a shift toward more sustainable technologies.

With the right information to aid decision-making at all levels of the organization and an accurate view of how employees are feeling in real time, this can be an opportunity to create a win-win situation for companies and their employees.

To learn more about how Workday Peakon Employee Voice can provide organizations with real-time insights about employee sentiment through intelligent listening, personalizing the employee experience, and building an inclusive, equitable culture for all, visit:

[workday.com/employee-voice](https://workday.com/employee-voice)



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