

## Pent-Up Departure Demand: The swelling ranks of employees who would leave if they could

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*Based on our analysis of five year data trends we are tracking a sizable increase in what we refer to as **Pent Up Departure Demand**: a growing population of employees who have felt "stuck" in their current job for a year or more. We particularly see growth in the percentage of employees who have felt this way for as many as three years or longer. This has significant implications for managers and HR professionals. In this white paper we examine the phenomenon, its implications, and what you can do about it.*

### **Background**

Since our workplace research began in 1993, we've been asking people about their attitudes toward their current employers, including multiple iterations of two key turnover/retention questions: "What would make you stay in your current job with your current employer?" and "What would make you leave?"

All told - in surveys, focus groups and interviews - we've asked some version of those questions to more than one hundred thousand individuals in more than a thousand different

organizations. Typically we use this data to advise clients on employee retention. For this study we analyzed data trends from 41,238 respondents from January, 2009 though January, 2014. For 2,874 of those respondents we were able to examine five years of "longitudinal" data allowing us to look beyond typical measures of short term job satisfaction.

### The Trend

More than 46% of all employed individuals in the civilian workforce today have felt "stuck" (meaning they have an unfulfilled desire to leave) in their current job for at least a year. We saw a significant spike in that percentage in the years 2007 through 2010, though the level has been relatively stable in the mid-40s% since 2010. As we dig deeper into the longitudinal data we find that the percentage of those who have felt stuck in their job for longer than one year has continued to grow steadily throughout this time. Nearly a quarter of employees in the workforce today have said consistently that they have felt "stuck" in their current job **for more than three years.**

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	2014	2013	2012	2011	2010	2009	2008	2007
1+ Years	46%	43%	42%	47%	46%	39%	35%	32%
2+ Years	34%	31%	29%	26%	23%	21%	17%	9%
3+ Years	23%	21%	20%	19%	18%	18%	15%	6%

While our analysis does not yield any reportable findings as to direct causality, several clear patterns do emerge in the qualitative

data. It is not surprising that these patterns align with the continuing effects of the “Great Recession” and the slow, weak, and uneven labor market recovery.

Employees who feel “stuck” typically report dissatisfaction with the conditions of their current job, along with a lack of confidence in their alternative employment options:

- (a) The job dissatisfaction is almost always attributable to the new “new normal”: Repeated downsizing and restructuring has led in many organizations to a leaner, more-high-pressure workplace, in which still-employed employees are doing more work with less support and fewer resources; and still-employed managers have too many employees to manage and diminished ability to recognize, compensate, and incentivize employee performance. It is important to note here that ---given the pervasiveness of performance based downsizing in recent years--- the vast majority of still-employed managers and employees were evaluated by senior management to be NOT among the lowest performing employees.
- (b) The lack of confidence in alternative options is a complex mix of factors: At the core, of course, is the persistently weak labor market overall. However, pent-up departure demand is NOT a low-skill low-performing employee phenomenon and is NOT significantly lower among those with in-demand skills (for example health-care professionals) or among those with track records of high performance. Those who feel “stuck” often say they lack confidence---not in their own “marketability”---but rather in the stability of potential alternative employers (as compared with their current employers). This insecurity

and risk aversion is exacerbated in many cases by smaller nest eggs and decreased home equity.

### **Risk Factors – Part One -- Who wants to leave?**

We found higher than average concentrations of pent up departure demand among employees who fit any two or more of the following three criteria which we are now calling "risk factors":

The most vulnerable employers are those with a significant numbers of employees who meet two or more risk factors.

1. Employees hired in...  
2006; or  
2009; or  
2010; or  
2011.
2. Employees in organizations where significant downsizing and restructuring has occurred more than once since 2009.
3. Managers and supervisors with more than 8 direct reports.

### **Risk Factors – Part Two – Why do they want to leave?**

More than 90% of employees reporting an unfulfilled desire to leave for two years or longer listed at least one of the following factors as the "reason why" they wanted to leave their job:

1. Not enough pay or benefits;
2. Not enough support from (or don't like) immediate manager;
3. Too many hours or burdensome schedule;

4. Unpleasant tasks or additional tasks without extra compensation;
5. Uncomfortable workplace or seeking relocation.

### **Implications for Employers**

Our analysis shows two primary negative consequences for employers resulting from growing pent-up departure demand:

First, employers with significant pent-up departure demand are at risk of sudden spikes in turnover as the job market (and the economy overall) improves, especially among employees who meet two or more of the "risk factors."

Second, employees with pent-up departure demand self-report diminished performance at work at an astonishingly high rate. More than 90% self report diminished performance in one or more of the following aspects of performance:

1. Commitment;
2. Effort;
3. Morale;
4. Willingness to "go the extra mile;"
5. Eagerness to "contribute my best ideas."

It is important to note again that pent-up departure demand is equally distributed among high-performers and average-performers. In fact, it is lowest among low-performers, who are most likely to say they'd like to stay in their current job even in the face of significant job dissatisfaction.

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## Remedial Options

Our advice to employers regarding these findings is simple: Inform managers at all levels of this issue, its dynamics and implications. Evaluate pent-up departure demand in your organization. Have managers identify particular risk factors on their team and identify high-value employees who may be at risk. Then, one person at a time, have managers either help those individuals fulfill their desires to leave, in short order...Or else, better yet, one by one, actively reenlist those employees: Stop the downward spiral. Help them get back into an upward spiral. There is no short-cut to that solution. It requires strong highly-engaged leadership throughout the chain of command, from the top, all the way down to the front lines.

For this WHITE PAPER we analyzed data trends from 41,238 respondents from January, 2009 through January, 2014, including 2,874 respondents for whom we were able to examine five years of "longitudinal" data measured against prior data trends based on RainmakerThinking 's ongoing workplace research since 1993.

### OUR TEN YEAR WORKPLACE STUDY-- 2003-2013

From September 1, 2003 through August 31, 2013, we collected data from the following sources:

**ONE-ON-ONE INTERVIEWS:** We conducted qualitative interviews with 6,098 managers and 3,177 non-managers (from 362 different organizations); 419 of these interviews have been longitudinal (repeated interviews over the ten year period). Our interviews have followed several different question formats and have been conducted by various individuals (but primarily by Bruce Tulgan directly) using various means, including in-person, via telephone, and via email.

**FOCUS GROUPS:** We conducted in-person 407 focus groups including 1,466 managers and 2,978 non-managers (from 53 different organizations). Our focus groups have followed several different question formats and have been conducted by various individuals (but primarily by Bruce Tulgan directly).

**SURVEY QUESTIONNAIRES:** We collected narrative verbatim responses to open-ended questions in our on-line survey questionnaires from 37,419 managers and 61,797 non-managers (from 891 different organizations). Our surveys have followed several different question formats and have been conducted by various individuals using various means, including in-person, via telephone, via email, and via our web-site. The primary open-ended question we have asked consistently of managers is, "What is the hardest thing for you about managing people?" The primary open-ended question we have asked consistently of non-managers is, "What would you like to change about your working relationship with your current direct manager?"

**INTERACTIVE SEMINARS:** Our management trainers led 840 interactive seminars including more than 24,000 participants in 218 different organizations. (Bruce Tulgan personally led 356 interactive seminars logging more than 1,000 hours with more than 10,000 participants from 104 different organizations).

**MANAGEMENT PRACTICES QUESTIONNAIRES:** We collected detailed management practices questionnaires completed by senior executives from 618 different organizations. The questionnaire has included different question formats.

**ACCESS TO PROPRIETARY DATA:** We reviewed internal survey data from more than 278 different organizations; and 32 different benchmarking surveys. This data was collected by our clients and/or by other research firms. We have been given special access to this data as part of our work with client organizations and in connection with our contributions to benchmarking surveys. This data, collectively, represents more than one million respondents.

**SYSTEMATIC REVIEW OF PUBLICLY AVAILABLE PUBLISHED RESEARCH:** We consistently review available published data, including leading academic research.

**OUR RESEARCH FROM 1993-2003...**

In the first ten years of our research, from 1993 to 2003, we collected data from managers and non-managers alike in a wide range of organizations in a wide

range of industries from in-depth interviews with more than 10,000 individuals (419 of these individuals participated in longitudinal interviews over the full ten year period); 358 focus groups including more than 3,000 individuals; management practices questionnaires completed by senior executives from more than 700 different organizations; more than 1,000 interactive seminars, logging more than ten thousand hours with hundreds of thousands of participants; survey questionnaires from more than 25,000 individuals; access to internal survey data from more than 300 organizations; ongoing systematic review of publicly available published data, including leading academic research.

#### OUR ONGOING RESEARCH...

Every day we continue to collect data from our in-depth one-on-one interviews, focus groups, surveys, seminars, and management practices questionnaires with managers and non-managers from numerous client organizations in a wide range of industries. As well we continue to avail ourselves of the internal survey data from our client organizations in addition to our systematic review of publicly available published data, including leading academic research. RainmakerThinking® research has been the source of twenty books (two currently forthcoming) and hundreds of articles by Bruce Tulgan since 1993. This research has also been cited in dozens of books by outside experts and in articles by journalists in thousands of articles in publications around the world ranging from the Harvard Business Review to the New York Times.