

Workers are massively firing their employers

Answers from behavioural psychology on what employers can do to retain them (before it's too late)

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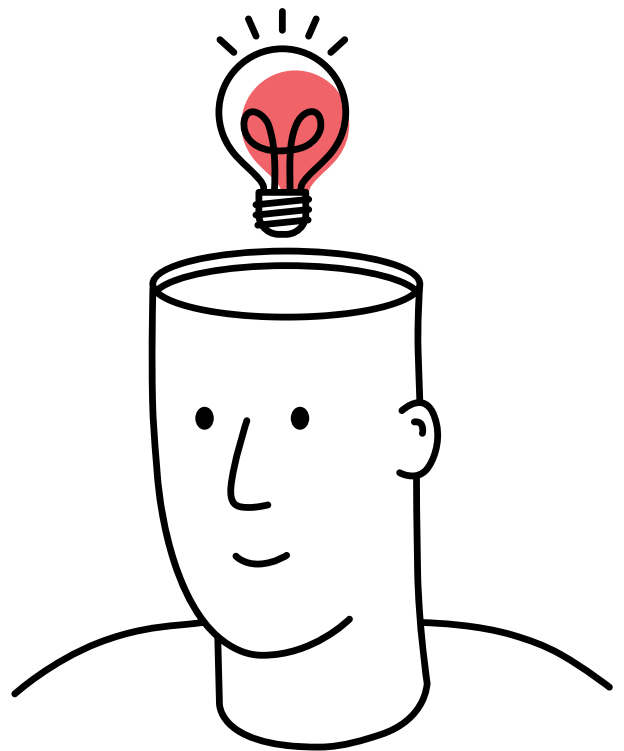
Introduction

There are currently 133 job vacancies for every 100 job seekers. This is a record high that does not seem to have reached its peak yet. CBS indicates that for the eighth quarter in a row, the number of job vacancies is on the rise. This means that tension in the labour market continues to rise and is starting to hit a sore point for employers. Not only are vacancies much harder to fill, but a second very worrying consequence is that it has never been easier for workers to change jobs. We see that a layoff wave is no longer a phenomenon initiated by the employer but by the employee. Also known as 'The Big Quit' or 'The Great Resignation'.

Retaining your talent is therefore crucial for organisations. But how do you do that? Two questions immediately come to mind. First, what is actually going on in the minds of employees? And second, what can employers do to retain talented employees? In this whitepaper, we provide concrete recommendations from behavioural expertise on how organisations can find answers to retain employees and stay ahead of the competition. We can also help you achieve this goal during an in-company training with your team!

To answer the first question, we conducted thorough research in September 2022 on employees with salaried employment. We first wanted to know how many workers were indeed considering changing jobs. It turned out to be a huge percentage: **67%** of workers said they were considering changing jobs. Almost half of these say they are actively looking around. That's a lot, but the 'good' news is that not everyone has taken concrete steps yet. So, there is still a chance to retain your people.

Even more reason to understand why employees are considering switching employers. And more importantly, what can convince them to stay with their current employer by adding behavioural expertise.



The research

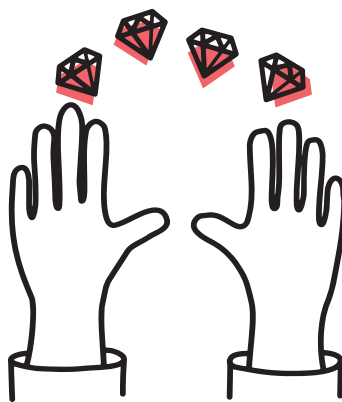
We conducted a quantitative behavioural survey among people with salaried employment in the Netherlands. This revealed a group that has recently resigned and started working for another employer. And a group who say they are considering leaving their current employer, some of whom are already actively looking: we call this group the **'deliberators'**. We then focused on this group of deliberators in our research and went looking for how to convince them to stay.

De belangrijkste conclusies

1 Currently, **67%** of employed Dutch people are considering changing jobs. This is accompanied by spiking confidence in finding a new job and a surplus of vacancies. A major wave of layoffs is looming, but this time from within the workforce.

2 When we ask about the intention to change employers, compensation comes up first. But looking at what ultimately drives people to change employers, it turns out that the real crisis is a crisis of lack of appreciation and personal growth.

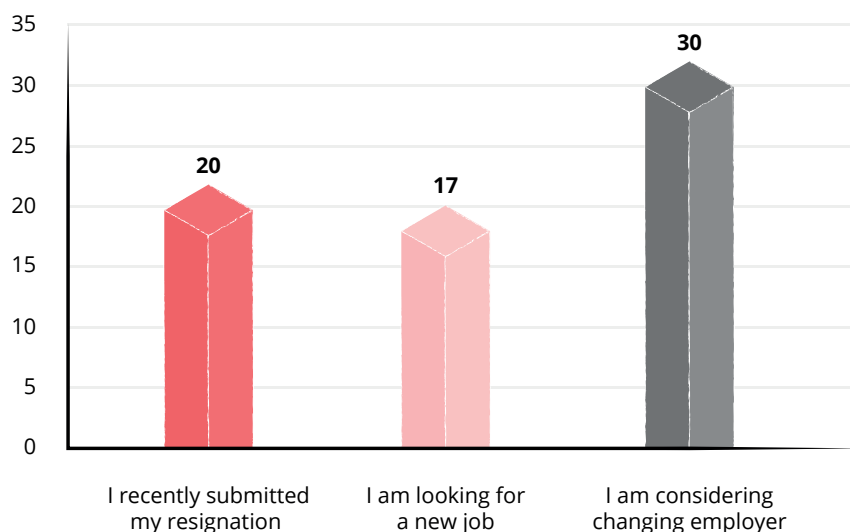
3 The best way to retain people is to focus on the person behind the employee and discover what drives employees. This research showed that appreciation, flexibility, and meaningful work were crucial factors for retention in companies where employee well-being was at the centre of their attention. What is essential here is that employers not only have a vision for this but that this is translated into concrete behaviours through which employees experience (and can provide for themselves) the evidence daily in an organisation where they continue to enjoy working.



The 'Big Quit' is not over for now and is affecting all industries

Is it true? Are workers massively looking for other work?

We asked in our survey, and indeed a very large percentage of workers appear to be open to a new job. **67%** of those surveyed said they were considering leaving their current employer. Moreover, some of them have actually recently resigned. **47%** of the deliberators have not yet taken concrete steps but say they keep their eyes and ears open. But how likely are they to take action?



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*There is a spike in **self-confidence** in finding a new job that removes the uncertainty of change.*

From behavioural science, we know that change is always accompanied by uncertainty. We humans do not like losing control; we like to have a grip on our lives. Resigning is one such typical behavioural change that comes with uncertainty. Will you even find a new job? Often, a lack of confidence leads to inertia. In this case, this could work to the advantage of employers. So, we asked the deliberators: how confident are you that you will find a new job in the current market? That confidence is high, with a whopping **76%** saying they are confident they can find a new job.

Looking at numbers from CBS¹ (Central Bureau of Statistics), that confidence is not misplaced. And the number of vacancies has reached a record high. In two years, the number of vacancies has more than doubled. Currently, for every 133 jobs, there are 100 workers. And this is not a temporary phenomenon: at the time of writing (September 2022), the number of vacancies had increased for the eighth quarter in a row.

Moreover, 'The Big Quit' affects all industries. Perhaps the call for staff is most visible in the hospitality industry (who has not seen the signs in restaurants asking for servers). CBS indicates that the hospitality industry has made a reasonable recovery and that healthcare, business services and trade are particularly in short supply. In short, the 'Big Quit' is real, affects all industries and is not going away for the time being.

The key is understanding the person behind the employee.

Why do employees leave?

The key question then becomes: how do you retain this **47%**? To answer this, we wanted to know what reasons employees have for looking for other work.

Here is something fascinating. If you ask people why they switch jobs, **24%** say they do so because they get paid better in their new position. But we know from behavioural science that this is often not the primary reason for leaving. It is almost a logical afterthought: if you decide to leave the '**familiar**' nest, you also have to get ahead financially.

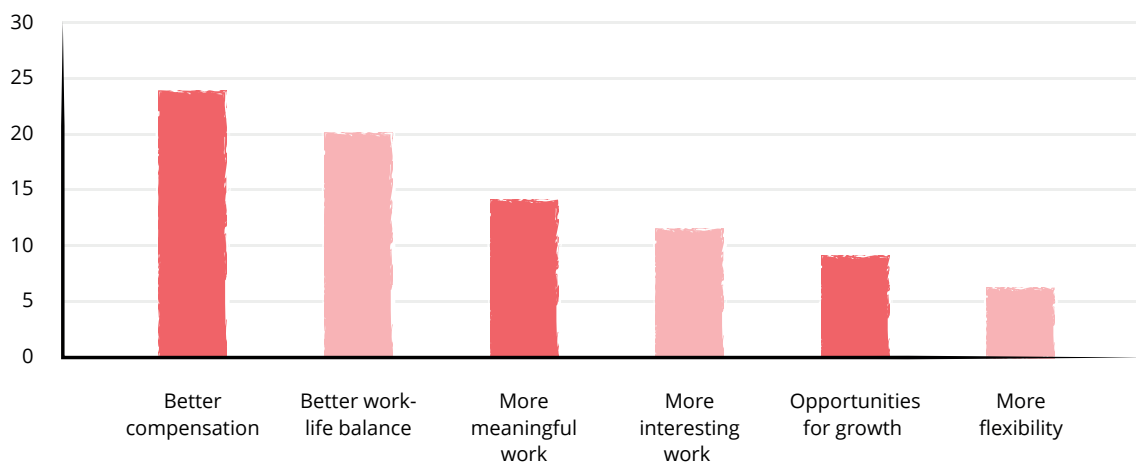
¹ <https://www.cbs.nl/nl-nl/visualisaties/dashboard-arbeidsmarkt/vacatures>

*There is a **crisis** in appreciation and personal growth.*



A fundamental insight from behavioural psychology is that people do not work purely for the work itself but for what work brings them. What it helps them achieve. This is the so-called **job-to-be-done**. The name is slightly confusing in this case because here, the 'job' has nothing to do with a function or set of tasks but with the deeper motivation of why people work. Often, employers try to retain their talented employees by offering higher salaries, bonuses, or extra monetary fringe benefits. This is important because it allows employees to realise their functional jobs-to-be-done, such as paying their mortgage, being able to afford holidays and buying goods.

Reasons to look for other work



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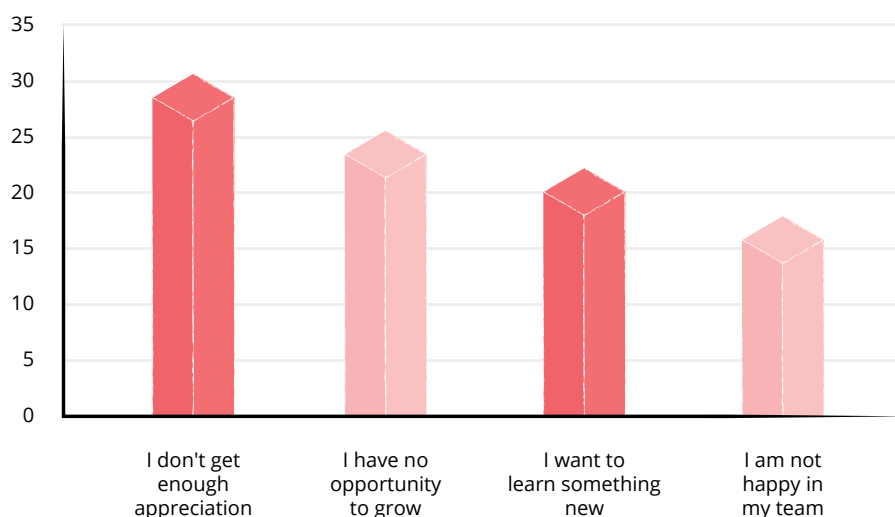
But employees' emotional and social jobs-to-be-done are often forgotten and even more often underestimated. And this is what we see in our survey. Following closely behind as a reason for switching employers, the overachievers indicate they seek a better work-life balance, seek more challenge, and want to do more meaningful work.

Tip 1: Provide context and make personal impact clear

Zooming in on meaningful work, it becomes increasingly important for an employer to create a work context in which an employee can clearly see their role and contribution. Share what the company stands for, what contribution your employee and their team make to it, and what success means. And above all, make time for your employee to experience the positive impact of their work. Something as simple as installing an 'impact habit', the behavioural routine of giving an employee time to ask/see what his work has delivered two weeks after completing a project can grow motivation tremendously.

In short, when we talk about motivation, much more plays a role than financial rewards. Indeed, if we ask about the main reason for really leaving their current employer, the salary aspect does not come up at all. Most important of all is the lack of appreciation. As many as 1/4 of 'deliberators' say they miss recognition. And again, failure to achieve social and emotional jobs-to-be-done emerges as the reason for the final decision to leave. Thus, we see answers like: I am not happy in my current team (**social**), I do not have opportunities to grow (**emotional**), and I want to learn something new (**emotional**).

Main reason for leaving employer



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Tip 2: Be mindful of commitment and express appreciation

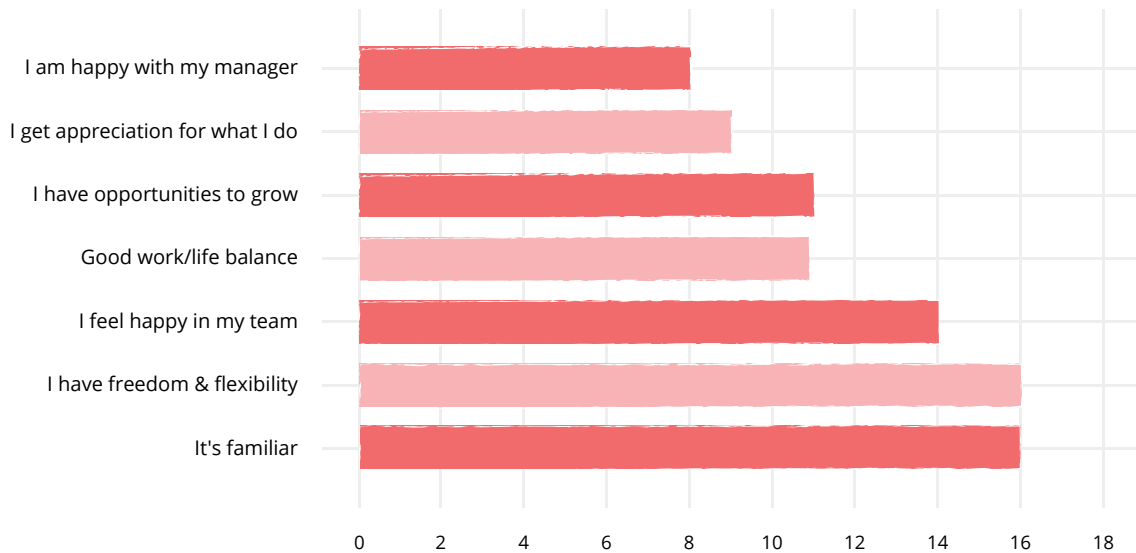
Ultimately, as humans, we are all looking for recognition and appreciation. That doesn't mean you have to give compliments all day, even though compliments are often forgotten, and successes are not celebrated enough. Recognition also lies in trust. Giving people the freedom to organise their own time and not micro-manage them. This can also fulfil the great need for a better work-life balance. This does require clear goals and behavioural routines that keep the employee's visibility sufficient (also for the manager). But it is also about explicitly acknowledging work performance. Have goals been met or even exceeded? Has someone helped a colleague or customer exceptionally well? Has someone grown enormously in their role? Or are there blockages you need to help them remove so they can continue their personal development? Actively helping them to overcome difficulties that come with work (both job related and mental) helps fulfil your employees' need to grow, learn something new and retain job happiness. An employee wants to be seen, supported and appreciated. Again, simple behavioural routines can make a big difference.

A good salary is only a small part of the retention puzzle.

Why do talented employees stay with you?

In short, these more social and emotional factors prove crucial to retaining your talent. Because if we ask about the main reasons for staying with an employer, we see that security in the current job comes into play: it is familiar, and changing jobs comes with uncertainty. It remains to be seen whether the grass really is greener on the other side. But if we look at why the **'deliberators'** have not taken any concrete steps at this point, we see that quite different factors than salary play a role.

Top reasons to stay



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Tip 3: Recognise that as a manager, you make the difference

Our research revealed, among other things, the important role a manager or supervisor plays in employee retention. Humans are social creatures. We copy and follow the behaviour of others. How you appear in the workplace as a manager makes an impression and greatly impacts employee motivation. But the fact that you are genuinely enthusiastic about the organisation or believe that you and your team can make a difference also makes you more able to motivate others. So also reflect on your own contribution. What makes you proud to work for the organisation? What successes have you already achieved with your team? How did you ensure that talent could grow? As a manager, you just as much need all the aspects we brought up in our employee survey to be and stay motivated yourself. Realise that as a manager, you do make a difference. Motivation and enthusiasm are contagious.



The difference between thinking and doing

How can you make sure you retain your talented employees?

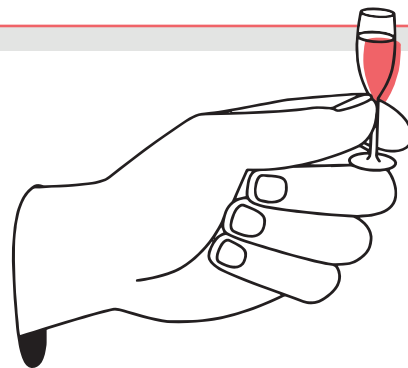
With the current scarcity in the labour market and employees' peaking self-confidence in the belief that they will easily find a new job, the chances of retaining your talented employees are decreasing by the day. But you can certainly convince them to stay if you understand what is going on in their minds and the key drivers behind their behaviour. Our research shows that **37%** said they are quite willing to stay under the right circumstances.

What exactly are those circumstances that make them decide to switch. In other words, what triggers 'The Big Switch'? The answer was fascinating. In behavioural science, there is a big distinction between what people say and what they do. If we ask people why they are considering looking for other work (intention), a better salary comes first, followed by more emotional and social factors. If we ask people what kind of company they would leave their current employer for (behaviour), salary does not come up. Only social and emotional factors play a role.

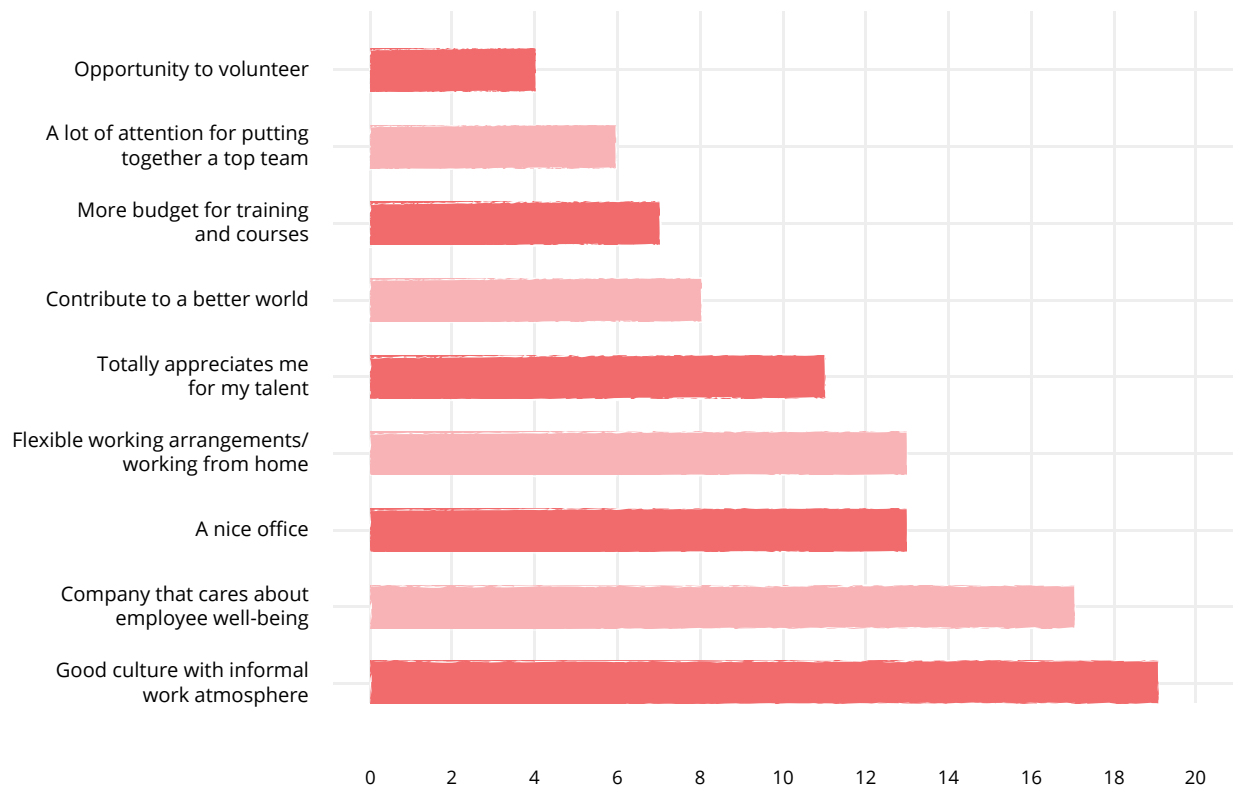
This is not to say that salary is not important. It is, especially in this tight labour market. In many industries, there is now massive competition for pay and bonuses. But that is more of a condition. It simply has to be good and an improvement. However, very different factors are considered in the final decision to switch to another organisation.



***Culture** eats money for breakfast.*



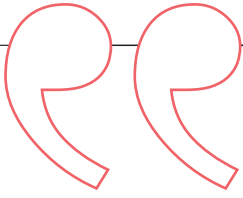
What are you looking for in a new company?



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There is an answer here that we wanted to look at in a little more detail. Because what exactly is meant by employee welfare? We asked them. They mentioned: paying attention to employees' happiness at work, attention to health, good food, being seen, being appreciated, enough breaks, safe and pleasant working environment, being able to feel at ease, attention to mental health even if you don't have a burn-out, sociability, a pleasant working atmosphere with not too high of a workload, sincere attention, development opportunities, fitness, being taken seriously, good work/life balance and freedom to determine projects/working hours/workplace yourself. In short, well-being for employees means being able to feel good about themselves.

This is not a detail. Behaviour is triggered by context. The daily context in which employees find themselves, both physically and mentally, is an essential consideration if you want to design retention behaviour. You also see a clear need to pay attention to (mental) health. Good food, not too much stress, not just mental coaching if there are already complaints, and work happiness. And again, recognition, appreciation and being seen plays a big role.



If you look beyond salary, there are opportunities for improvement that take the people behind the employees as the starting point.

What can you do to retain talent?

1

The first retention strategy is looking closely at what employees are looking for in a new company (the previous graph) and ensuring you get this right as an organisation. What is essential here is that this does not end in vision alone. If you want to retain your employees successfully, you must realise that behaviour is the key again. Do you want a good culture? Then managers and employees must, for example, give each other speaking time, intervene when an unsafe situation arises, take initiative, and go along with change. If you want to ensure a top team, team members must start giving each other feedback, show innovative behaviour, coach each other, and focus. If you want people to feel more valued, there must be informal conversations, successes celebrated, and clear expectations. It all comes down to behaviour.

2

The second retention strategy is to focus on the person behind the employee.

You can make the right interventions by talking to employees and genuinely wanting to know what drives them and what barriers are there for them that prevent their job happiness. And these are often different from a lack of salary or bonus. We already asked our respondents what their current employer could improve. These were the top 10 most frequently given answers (in no particular order):

- 1 Offering healthy food (free of charge)
- 2 Ensure better work-life balance (understanding of the private situation)
- 3 Flexibility in working hours
- 4 More confidence and freedom
- 5 More attention to mental support (mindfulness, rest, sufficient breaks, focus)
- 6 More genuine listening and interest
- 7 Less agitation
- 8 More appreciation
- 9 Exploring what can be improved and what needs employees have themselves
- 10 Reducing the workload



Conclusion: You should focus on behaviour to retain your talent.

Behavioural expertise and basic knowledge of choice psychology are becoming essential skills for any talent organisation. And not just for the employers themselves, with a greater understanding of how their behaviour comes about, employees too can create a work environment that contributes to their happiness, growth, and health. While the problem is challenging and the scope large, relatively small behavioural routines can make all the difference. Today's winning organisations manage to attract and retain talent by taking the psychology of the person behind the employee as their starting point. Not if they get physical or mental complaints, but to help realise their employees' functional, social, and emotional jobs-to-be-done. This is the yardstick by which every employee measures their current work. We can help you achieve this with our customized in-company training for your team.

The Art of Designing Behaviour

If you want to influence choices and behaviour successfully, it is crucial to understand the person behind the employee. The ability to think outside-in is indispensable. Understanding employee psychology is the competence of the future for any manager. In my book 'The Art of Designing Behaviour', I will help you develop that competence and put the power of behavioural science to work for you in practice.

The book is now on sale at Managementboek.

Dutch: De Kunst van Gedrag Ontwerpen
 English: The Art of Designing Behaviour

Published by Boom Uitgevers.



How can SUE help?

SUE Behavioural Design Academy offers in-company training courses that help employees and employers based on applied behavioural psychology to:


- 1 Grow in their own role
- 2 Grow as human beings
- 3 Become a better team
- 4 Innovate in a customer-oriented way
- 5 Lead your team


Think of training modules such as the psychology of influence and persuasion; the behavioural routines of a top team; how to design the ultimate customer experience; arguing, debating and pitching better with behavioural psychology; the psychology of your happiness; how to write texts that convince with behavioural principles; the psychology of financial decisions, enhancing creativity and innovativeness with behavioural science, how to design sustainable behaviour, behavioural routines for personal resilience.

These are trainings in which the fundamental insights in behavioural science are immediately made practical. They provide not only knowledge but, above all, know-how. In-company training courses can also be customised. We also offer a partner program that allows employers to provide their employees with a learning pathway in which they can participate in all the modules they want over a year.

More information?

Make a no strings attached appointment with us.

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This whitepaper was written by Astrid Groenewegen, co-founder of SUE | Behavioural Design Academy. Author of the book The Art of Designing Behaviour.

