

# Why Do Some Industries Struggle to Retain Top Talent?

A Guide to Turnover, Retention, and Post-Pandemic Trends



The U.S. labor market is currently in the midst of what many are referring to as ‘the great resignation’. American workers are quitting in record numbers, with hopes of finding better jobs elsewhere, and with so many positions currently open—**roughly 11.5 million as of March 2022**—applicants are spoiled for choice. This means, in a lot of ways, they have all the power.

In today’s economy, it is imperative that companies retain their top talent, as well as attract new talent, but some industries are struggling with this more than others. To make matters even worse, there isn’t one universal reason for why retention rates are so low. It varies among the different sectors.

To help business owners understand the issue at hand, let’s take a look at which sectors are experiencing the lowest levels of retention, and why. Then we’ll explore some of the ways your business in particular can hold onto top talent.

## The Industries That Struggle the Most

As of April of this year, HR experts at **Gartner** estimated that voluntary employee turnover could jump nearly 20% from the pre-pandemic annual average. Since January, there have been anywhere between 4.3 and 4.5 million people quitting their jobs every single month. If this trend continues, the labor market is well on its way to beating the pre-pandemic average of 31.9 million jobs left per year.

Not only are we seeing a record increase in turnover number more generally, but the pandemic has also spurred major shifts in industry-specific turnover trends. Here we’ve listed which sectors normally experience high levels of turnover, which are being impacted right now in particular, and why.



## The Industries With the Most Turnover

Industries With Highest Rates of Turnover Normally (As Reported by <a href="#">LinkedIn</a> )	Industries with Highest Rates of Turnover in 2021 (As Reported by <a href="#">FinanceOnline</a> )
Technology – 13.2%	Retail/Ecommerce – 30.7%
Retail/Consumer Products – 13%	Media and Entertainment – 22.6%
Media and Entertainment – 11.4%	Technology – 21.3%
Professional Services – 11.4%	Life Science/Medical devices – 20.6%
Government/Education/Non-profit – 11.2%	Consulting – 19.7%
Financial Services and Insurance – 10.8%	Manufacturing – 18.8%
Telecommunications – 10.8%	Financial Services – 15.9%

Although not highlighted on these two lists, it is also important to note that the healthcare and hospitality sectors have also seen record numbers of turnover throughout the pandemic. Similarly, the number of teachers considering leaving the profession **doubled** from 2019 to 2021.



## Why These Industries and Not Others

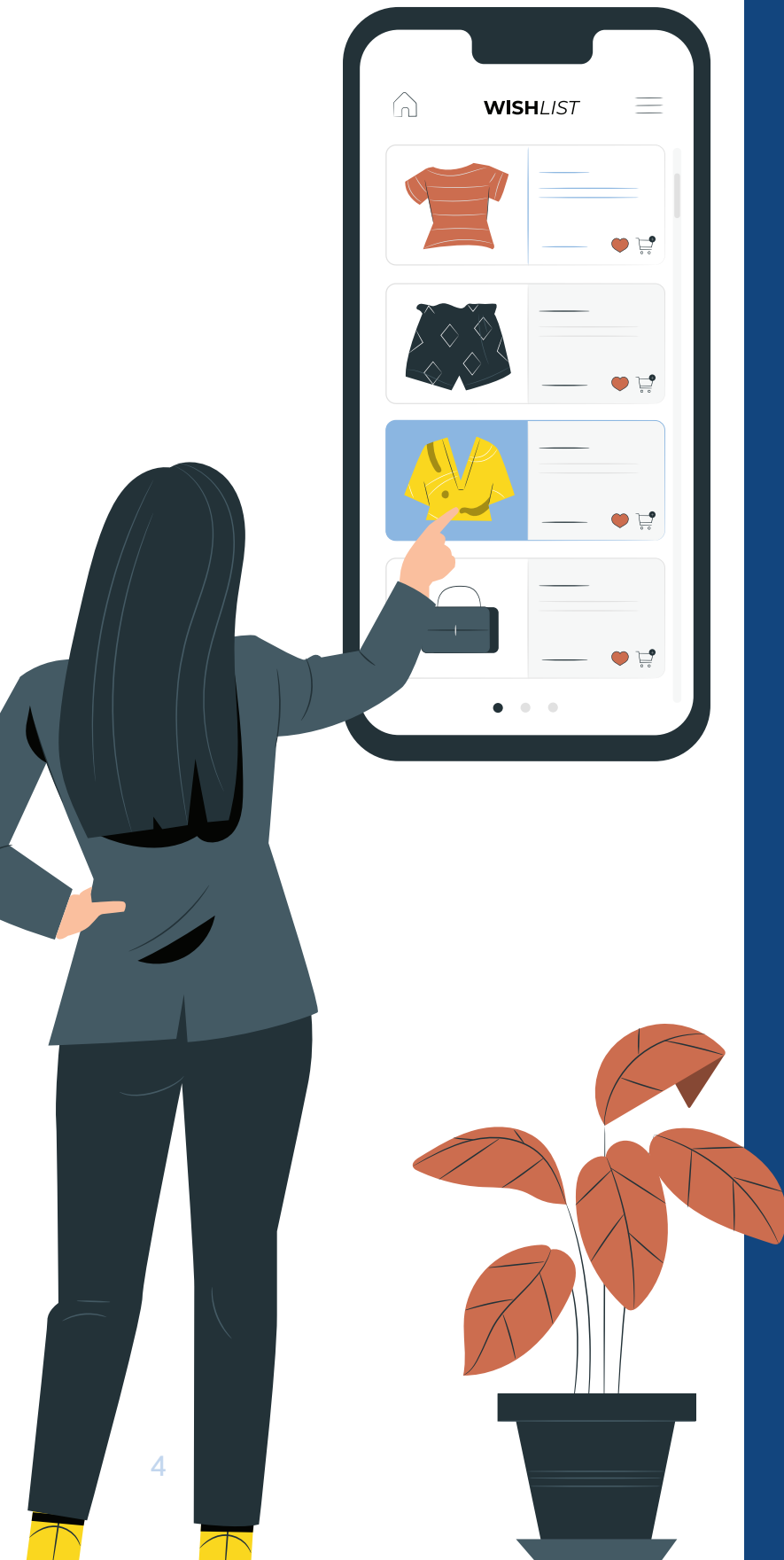
Of the seven industries listed as having the most turnover pre-pandemic, versus the ones listed for the post-pandemic economy, four industries overlapped—Technology, Retail, Media, and financial services.

What makes these sectors so vulnerable to turnover? The answer varies, so let's break it down one by one.



- **Technology** – The number one reason experts point to for the high levels of turnover in the technology sector is the skyrocketing demand for talented workers. Because the industry continues to grow each year, as well as to dominate global markets, there is an ever increasing need for top tier employees. In other words, those who know their worth are not afraid to quit and look for something better.

- ◇ According to research conducted by [Zippia](#), the U.S. tech market accounts for about 35% of the total world market, and the industry was expected to grow by at least 6% in 2021.
- ◇ In [2021](#), 213,100 IT jobs were added to the market, and 43,200 more have been added in the last three months alone.
- ◇ According to a pre-pandemic [report](#) from LinkedIn, 49% of tech workers left their job in order to pursue another position in the same industry.



- **Retail** – Before 2020, retail was already near the top of the list of sectors that experienced high levels of turnover, and that was primarily due to the fact that retail jobs are taxing and the pay is low.

- ◇ Retail workers often have to spend long hours on their feet, they have to carry heavy boxes, and perform menial, repetitive tasks. This kind of work takes a toll on both the mind and the body, and if starting wages are too low, workers are not going to stick around long.

As of the pandemic, a new concern has arisen within the world of retail, and that is employee safety. When everyone else was sent home from their jobs, retail workers were asked to step up and to risk their health in order to perform essential tasks. Many of these ‘essential workers’, however, felt their employers were not doing enough to keep them safe.

- ◇ According to a 2021 **study** published in the Harvard Business Review, here are the top three reasons workers reported leaving their retail job:
  - » A new job offered better pay (15.6%)
  - » Family health concerns due to COVID (12%)
  - » COVID job impact (12%)



- **Media/Entertainment** – Because this sector includes so many industries, it is difficult to pinpoint a single reason why media and entertainment sees so much turnover. One aspect that definitely plays a factor in workers coming and going, however, is the project-based work model.

- ◊ Most industries within this sector only hire people on a project-by-project basis, meaning when the project concludes, those workers are out of a job, and forced to find another source of income as fast as they can.

- **Financial Services** – Experts agree there are a few reasons for the high turnover rate in the financial sector, but most of them stem from the workforce itself. Millennials are now dominating the labor market, and this younger generation has new priorities when it comes to their day-to-day work environment.

- ◊ Studies referenced [here](#) by Hppy (a community dedicated to HR and Employee Engagement) demonstrate that millennials care deeply about having a job that engages them and which allows them to strike a better work-life balance. They also care about working for companies that have good reputations— which isn't always easy to find in the financial sector.

## Other Reasons Your Company May Struggle To Retain Talent

In addition to the industry-specific reasons listed above, there are also some universal, work-related concerns that can lead to turnover across many different sectors. Examples that are particularly relevant to today's labor market are things like not offering hybrid or remote-work options, or having your business bound to a specific geographic area.

Addressing these concerns is fairly straight-forward. It may just be a matter of investing in better remote-work technology, or expanding your search for talent outside of your local area.

That said, other note-worthy reasons for turnover may not be so simple to fix. These reasons include issues in the initial hiring process, onboarding problems, industry-wide lack of diversity and inclusion, and the difficult task of attracting the right candidates to begin with.



## What Can Be Done

There are many things your company can do to retain your current workforce, as well as attract new talent, but we've outlined the top four steps you should take right away to significantly cut down on turnover.

- 1. Utilize the Skills and Expertise of a Professional Recruitment Firm** – The first step in building a strong, loyal workforce is to find the right employees to begin with. One of the most effective ways to do this is to let trained professionals recruit, interview, and select the perfect candidate for all of your open positions.

Recruitment firms like IsoTalent can save you time and money, not only throughout the initial hiring process, but down the line as well. They can also potentially cut down on early-employment turnover, given that the first three months of employment is when most people tend to quit.

### Why Invest in Professional Recruiting?

- *Our team knows how to curate job postings so that they are accessible to a larger pool of applicants, and in a way that conveys exactly what is expected of new hires so there is less confusion during the training process.*
- *We have access to top talent pools, and we know how to weed out the serious candidates from the flaky ones, therefore cutting down on the loss of new hires within the first few*

This step is especially important for startups and tech companies, both of which see some of the highest levels of attrition. Young companies, particularly those operating in a highly competitive field such as technology, need to invest in the initial hiring process. This starts at the top, with your C-Suite, and goes all the way down to the low-level assistants and interns.

Sound overwhelming? Don't worry— We've got you covered! (link to IsoTalent services)





**2. Create a Better Onboarding/ Training Process** – Statistically, most people who are going to quit a job, do so within the first three months of employment. One of the most common reasons for this is a company’s failure to properly onboard their employees. Proper onboarding is uniquely important for small businesses and startups, seeing as they may not have the resources to constantly be hiring and training new employees.

- According to a survey from SHRM on why onboarding matters for startups, 69% of employees interviewed stated that they were more likely to stay with a company for three years if they experienced great onboarding.

*For more tips on how to create your perfect onboarding plan, check out our **ebook!***



### 3. Create a Safer, more Empathic Work Environment – With Millennials and Gen-Z workers

bringing an entirely new set of values and ways of thinking into the labor market, retaining top talent will require more than simply upping your starting wage. The need for implementing what’s being called ‘corporate compassion’ is increasing with each new young person who joins the workforce.

Before the pandemic, younger workers were already beginning to prioritize their mental health, safety, and happiness when applying for new jobs. Post-pandemic, these concerns are now seen as highly important to a larger number of workers, some even going so far as to say they are ‘non-negotiable’.

- According to a **survey** conducted by Resetting Normal, 80% of workers listed workplace culture and wellbeing issues as more important than salary.
- In a study looking at retail workers in particular, Retail Leader **found** that ‘not having a voice’ and not feeling heard was one of the major concerns from workers who reported being dissatisfied with their jobs.

One incredibly important aspect of creating a more compassionate work environment is investing in DEI— Diversity, Equity, and Inclusion. Not only is there an inherent link between corporate compassion and retention, there is also a direct link between retention and a company’s devotion to DEI.

- Last year, Catalyst conducted a **study** which found that 57% of white women and 62% of women of color, ‘never or rarely’ thought of leaving their jobs when they felt their life circumstances were valued and respected by their company.
- In the same study, 33% of women of color with less empathetic senior leaders said they were thinking about leaving, compared to only 18% of women of color who reported having highly empathetic senior leaders.

#### Did you know?

*DEI starts with the right hiring process. Conscious and unconscious biases are major barriers that keep many talented workers from receiving job offers. To learn more about this, and how IsoTalent can help you eliminate hiring bias, check out our **DEI resources**.*



#### 4. Raise Wages, Offer Better Benefits and Flexible Schedules

– Competitive salary, better benefits, and work-from-home options are three of most sought after job aspects for modern-day applicants. Thankfully, raising wages and offering more flexible schedules can help with more than just retention.

- Because it's almost always more cost-effective to hold onto your current employees than to hire new ones, consider raising wages for those you currently have on staff. It will show them that you value their work, and ensure they don't go looking for better opportunities elsewhere.
- Similarly, providing employees with a work-from-home option has **proven** to increase productivity in individual workers by up to 13%. The same study found that remote workers reported higher levels of work satisfaction, and attrition rates were reduced by 50%.



## Final Thoughts

Regardless of industry, some level of organizational turnover is inevitable. However, studies show formal management efforts will pay off in fostering retention, diversification, and a healthy work environment where employees feel welcome, productive, and committed to the organization's long-term success.

A key element of that success is contingent on expert recruiting. Reach out to our team to learn more about hiring flexible and adaptable employees today.



# Recruiting Reimagined

IsoTalent is a job recruitment firm based in the Silicon Slopes area of Lehi, Utah. We help high-growth startups, executive teams, hiring managers, and HR professionals find the talent they need at flexible and affordable pricing. Our low-cost hourly model saves organizations thousands of dollars compared to traditional hiring agencies. Our recruiting services help clients save an average of 40% to 70% to place high-volume, standard, technical, and executive roles.

## Hourly-Rate Recruiting

Standard Role

**\$110/hr**

Technologist Role

**\$125/hr**

Executive Role

**\$200/hr**

International Role

**\$75-\$100/hr**

*High-volume placements are billed at the standard rate and typically fill 10x faster than standard averages.*



## Contact

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