

As job hunting peaks, employers fail to react

With unemployment falling to a 16-year low of 4.3% and wages on the rise, there is a widening disconnect between how employees and employers think about work.

Job switching is at an all-time high in 2017, with about 27% of U.S. workers changing jobs on an annual basis, says a new ADP Research Institute report. Although most employers agree that it's difficult to retain top talent, they underestimate how many employees are open to switching jobs—and, too often, they're failing to take the correct steps to retain their best employees.

According to ADP's survey, 63% of workers are open to the idea of leaving (17% are actively looking and 46% are passively keeping their eyes open). Employers peg that total number of potential job switchers at below one half.

Other bad news for employers: About half of employees say they'd consider an opportunity that only matched their current salary *or even paid less*, proving that wage growth is not the only determinant for employees who are considering a job switch.

"Employers face a perfect storm of sorts when it comes to keeping top talent," says ADP's CFO Jan Siegmund. "They face paying higher wages and their employees can use technologies that make it easy to essentially browse for new job opportunities."

The key to retention: Employees say they value work-life balance and meaningful career development—two things that are typically promised during recruitment but fade away during employment. Nearly half (47%) of workers say they've walked away from a job that did not meet their expectations.

"Of course pay and work hours play an important role in retaining employees, but meeting employee expectations is key," said Ahu Yildirmaz, head of ADP's Research Institute. "Employees say they are more likely to stay with a company if their experiences align with the expectations agreed to when hired."

Job-changing stats

63% are open to leaving for another job

46% would consider a job that matched their current salary or paid less

47% have walked away from a job that did not meet their expectations

27% are changing jobs annually, an all-time high

Source: ADP