

Research Reveals Job Stability and Meaningful Work Are What Makes Employees Stay

New research explores the challenge of employee retention and the key drivers motivating employees when making choices about their career paths. With 4.3 million people quitting their jobs as recently as May 2022, the survey of more than 600 U.S. workers provides insight employers can use when developing strategies for increasing retention.

The study revealed a gap between the employer perceptions and employee sentiments related to retention. When asked about factors (other than compensation and benefits) that contribute to their decisions to stay in with their company, 30% of respondents indicated that perceived job stability is their most important motivator and 60% ranked it in their top three. Feeling that the work was meaningful (45%) and having a passion for their field (33%) were the second- and third-most-popular answers, respectively. Reasons related to employers' brands (19%), corporate culture (19%), and products (13%) are the least important to employees, despite many companies' focus on these elements in their recruiting and retention efforts.

"Research shows that almost half of employees say they do not want to change companies within the next 12 months, but that is never a guarantee that those employees will stick around long-term," said Alison Stevens, director of HR Services at Paychex. "The Great Resignation may be slowing, but that doesn't mean companies can take a passive approach. Rather, they should use this opportunity to offer programs, perks, and benefits that meet employees' diverse needs."

Generation Influences Why Employees Work at Their Companies

While job stability and performing meaningful work ranked among the top two reasons respondents stayed at their companies, Baby Boomers (32%), Gen X (35%), and Millennials (31%) were significantly more likely to cite job stability as the most important reason than Gen Z (14%). Instead, Gen Z (18%) prioritizes meaningful work over job stability.

In addition, Baby Boomers (41%) said that passion for their field and industry are among the most important reasons to work at their company. Gen X (30%) focused on close relationships with coworkers, and Millennials (39%) cited opportunities for career growth. Gen Z (27%) said company growth and success were especially important to them.

Flexibility Reigns as Top Priority for Employee Retention

When asked what would make employees more likely to stay in their roles, respondents noted a desire for more flexible scheduling. Over one-third (35%) of all respondents ranked flexibility in work hours and schedule as the number one reason they'd be more likely to stay at their organization long-term, and 70% ranked it among their top three. It was significantly more likely for Baby Boomers (46%) to say that flexibility would make them more likely to stay at their organizations long-term than Gen X (38%), Millennials (31%), and Gen Z (24%).

Opportunities for career advancement, skills development, and internal job mobility, and increased commitment to work/life balance ranked second and third overall with 50% of employees putting each in their top three most-desired perks. A promise of better work/life balance was particularly compelling to financial services workers (29%) compared to those in leisure/hospitality (10%), manufacturing (11%), education/health services (14%), retail/trade/transportation/utilities (13%), and other professions (11%).

Keeping Employees Long-Term

Health insurance (64%) and retirement plans (62%) are the top two benefits shown to keep employees long-term. However, the research shows that the importance of mental health benefits is on the rise among younger generations. Gen Z (23%) is significantly more likely to say that mental health benefits would make them more likely to stay at their organization long-term than Millennials (14%), Gen X (5%), or Baby Boomers (3%).

Financial wellness benefits (41%), such as tuition reimbursement, professional development stipends, student loan repayment, and child-care support, ranked third among benefits most important for employee retention.

"Perhaps the most compelling takeaway from this study is the confluence of factors that affect employees' decisions to say with a company," said Jeanne Meister, the founder of Future Workplace and executive vice president at Executive Networks. "Each employee presents a different intersection of the demographics outlined in the study, and the only way to really know what will keep them in their position for the long haul is to ask. Even so, employers rarely do it. We found that only 29% of employees have had what we call a 'stay interview.' These open conversations with employees can give HR staff insights into the unique values of their employee populations to increase retention, even in a difficult labor market."