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Why Do Workers Quit? The Factors that Predict Employee Turnover

By Morgan Smart
Data Scientist, Glassdoor

Dr. Andrew Chamberlain
Chief Economist, Glassdoor

Executive Summary

- People change jobs and companies many times during their lives. When moving to the next role, some workers stay while others leave for a new employer. What factors predict employee retention?
- This study uses more than 5,000 real-world job transitions from resumes on Glassdoor to study the factors that predict whether an employee will stay or go when moving on to the next role in their career path.
- Our statistical analysis shows company culture matters for employee turnover.
 - Employers with better overall company ratings, career opportunities ratings, and culture and values ratings on Glassdoor are more likely to retain employees when they progress to their next role.
 - Improving a company's overall Glassdoor rating by one star raises the odds that a typical employee will stay for their next role by 4 percent.
- Pay also matters for employee turnover. We find that a 10 percent increase in base pay raises the likelihood by 1.5 percent that the average employee will stay inside the company when moving to their next role, even after statistically controlling for factors like job title, industry, company size and location.
- Finally, we find that *job title stagnation* hurts employee retention. Every additional 10 months an employee stagnates in a role makes them 1 percent more likely to leave the company when they finally move on to their next position.
- Three workplace culture factors had no impact on turnover: work-life balance, senior leadership, and compensation and benefits ratings. Although these factors matter for overall employee satisfaction, they don't appear to matter much for employee turnover.
- Some causes of employee turnover are beyond the control of employers. But some are not. Specifically, our findings suggest improved workplace culture, competitive base pay, and regular employee advancement into new roles is clearly associated with lower employee turnover.

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I. Introduction

As we move through our careers, it's natural to change jobs and companies many times. On average, the typical American worker changes employers 11.7 times before age 48, with about a quarter changing companies 15 times or more.¹ And within each of those employers, workers routinely change jobs and responsibilities multiple times before moving on.

Every job transition adds another line to our resumes, but it also opens the door to career opportunities: a promotion, better pay, a fresh start with a new employer, a move to a new location, or potentially an entry into an entirely new profession.

When workers move from one job to the next, they often face a choice. Should they stay at their current employer for their next role? Or should they leave, venturing to a new employer for the next step on their career path?

The decision of whether to stay or leave an employer for the next job doesn't just affect workers. Voluntary turnover is a critical issue facing employers. Employee turnover adds significantly to business costs, costing an average of 21 percent of an employee's annual salary to replace workers.² Further, career opportunities—the ability to progress in one's career—are one of the main drivers of employee satisfaction, making it a key issue for maintaining a satisfied and productive workforce.³

What factors affect employees' decisions to stay or leave a company when moving to their next role? In this study, we analyze that question using a unique data set of real-world career transitions observed by Glassdoor.

Using a large database of resumes shared anonymously on Glassdoor, we identified more than 5,000 cases of workers who changed jobs between 2007 and 2016.⁴ Some job changes happened within the same employer. Others were to a new employer. This allows us to study the key statistical drivers of employee turnover when workers prepare to change jobs: compensation factors, company culture, time on the job, job title, industry factors and more. The results shed new light on what encourages employees to stay and thrive inside organizations long term—and what makes them depart for new employers.

The remainder of this study is organized as follows. In Section II we explain what we mean by “job transition,” and offer some examples. In Section III, we explore our data by showing five patterns we see in job transitions on resumes. In Section IV, we present the results of our statistical analysis of what factors predict employee turnover. Section V explains some limitations of the study, and in Section VI we summarize what our findings mean for employers and job seekers.

¹ U.S. Bureau of Labor Statistics, “Number of Jobs Held, Labor Market Activity, and Earnings Among the Youngest Baby Boomers: Results from a Longitudinal Survey,” BLS News Release (March 31, 2015). Available at www.bls.gov/news.release/pdf/nlsoy.pdf.

² Heather Boushey and Sarah Jane Glynn (November 16, 2012). “There Are Significant Business Costs to Replacing Employees,” Center for American Progress Issue Brief. Available at www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/.

³ Research shows “career opportunities” are one of the top statistical drivers of overall employee satisfaction. See for example, Patrick Wong (January 17, 2017).

“Does Money Change What We Value at Work?” Glassdoor Economic Research blog. Available at www.glassdoor.com/research/more-money-change-value-at-work/.

⁴ All names and other personally identifying information were removed from resumes before allowing access by our researchers. No personally identifying information of any kind was used in this research.

II. What is a Job Transition?

A *job transition* is defined in this study as any time an employee lists a new role on their resume. Sometimes these are promotions into a new role at the same company. For example, a worker might move from a job as junior accountant to an accounting manager at the same company and list that career progression on their resume. Other times, job changes on resumes represent a move to an entirely new employer.

When a job transition happens inside the same employer, we call it an *internal move*. In these cases, workers list a new role on their resume but stay at the same employer. By contrast, an *external move* is when a worker leaves their employer for a new opportunity elsewhere, listing both a new role *and* a new employer on their resume.

Figure 1 shows the way we define job transitions in this study.

FIGURE 1. Two Types of Job Transitions: Internal and External



Source: Glassdoor Economic Research ([glassdoor.com/research](https://www.glassdoor.com/research))

How does this way of defining job transitions differ from government surveys? In most surveys from the U.S. Bureau of Labor Statistics about employee turnover, a job is defined as *an employment relationship with a single employer*.⁵ That definition obscures the fact that employees often move through many jobs inside an employer. By using resume data instead, we're able to provide a more detailed view of job movement both *within* and *between* employers. This allows us to study what factors encourage workers to stay or leave their existing employer when it comes time to look for their next job.

⁵ See for example, "Employee Tenure Technical Note," BLS News Release at <https://www.bls.gov/news.release/tenure.nro.htm>; and "Technical Note: Number of Jobs Held, Labor Market Activity, and Earnings Among the Youngest Baby Boomers," BLS News Release at <https://www.bls.gov/news.release/pdf/nlsoy.pdf>.

III. Exploring the Data

In this section, we present some basic facts about career transitions from Glassdoor resumes. These are based on 5,006 real-world job transitions between 2007 and 2016 that we extracted from 4,592 unique resumes shared by job seekers on Glassdoor. Some are internal moves, and some are external moves. We then combined this resume data with Glassdoor salaries and company reviews to show the link between pay, company culture and employee turnover.

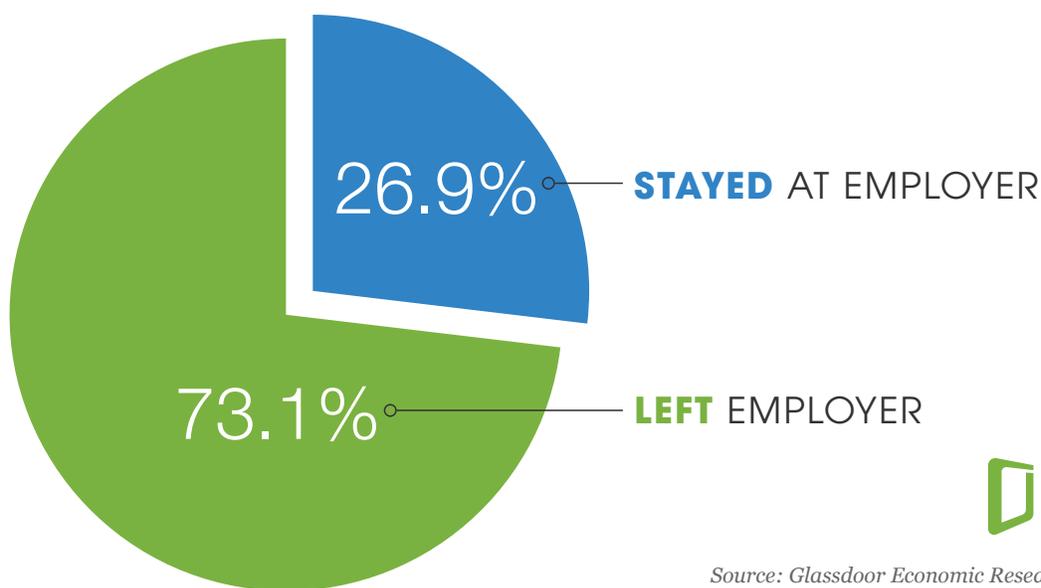
Below are five key trends we observe in job transitions from Glassdoor resumes.

TREND #1: MOST EMPLOYEES LEAVE THEIR COMPANY WHEN CHANGING JOBS.

The first trend that's apparent from resumes is that when employees are ready to move on to their next job, they usually leave their employer. Employees are about three times more likely to leave for a new employer than to stay and move into a new role at their existing company.

Figure 2 shows the percentage of internal versus external moves in our sample of job transitions. Among the 5,006 job moves we examined, 3,660 or 73 percent were external moves to a new employer. By comparison, only 1,346 or 27 percent were to a new job within the same employer. This suggests there may be room for growth among employers looking to boost workforce retention by offering better career opportunities to employees.

FIGURE 2. When Changing Roles, Most Employees Leave Their Employer



Source: Glassdoor Economic Research ([Glassdoor.com/research](https://www.glassdoor.com/research))

TREND #2: MOST EMPLOYEES CHANGE JOBS FREQUENTLY.

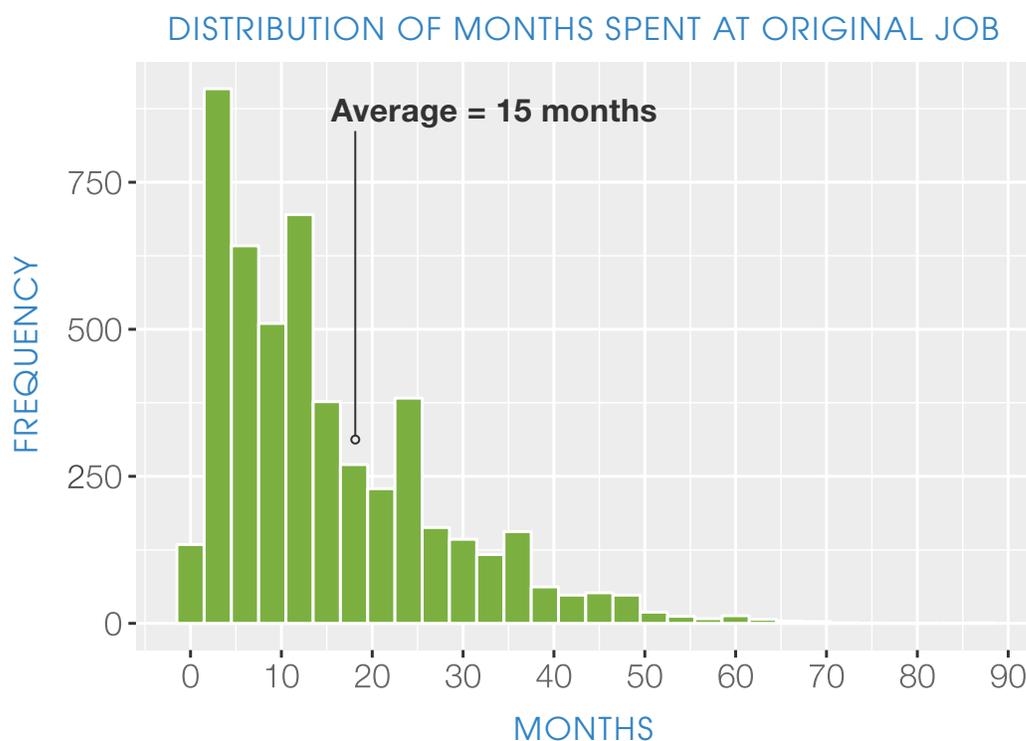
The U.S. labor market is dynamic. That dynamism is apparent from how frequently workers change jobs and companies over a lifetime.

According to the U.S. Bureau of Labor Statistics, 69 percent of workers between ages 18 and 24 leave their employer within one year, and 93 percent leave within 5 years.⁶ Older workers change companies frequently as well, with 32 percent of those aged 40 to 48 leaving their employer within one year, and 69 percent changing employers within 5 years.

Even while at the same employer, workers often change roles. In our sample of resume data, employees change jobs on average every 15 months, ranging from less than a month to more than seven years in the same job.

Figure 3 shows the distribution of months workers spend in their initial job in our sample. The horizontal axis shows months in the job, and the vertical axis shows the number of workers in each category. Each bar corresponds to three months, with the first bar representing less than one month, the second bar representing 1 to 3 months, the third bar 3 to 6 months and so on.

FIGURE 3. Time Spent in Jobs Varies Widely Among Workers



Source: Glassdoor Economic Research ([Glassdoor.com/research](https://www.glassdoor.com/research))

⁶ U.S. Bureau of Labor Statistics, "Number of Jobs Held, Labor Market Activity, and Earnings Among the Youngest Baby Boomers: Results from a Longitudinal Survey," BLS News Release (March 31, 2015). Available at www.bls.gov/news.release/pdf/nlsoy.pdf.

One interesting pattern is the spikes at each annual marker of 12, 24, and 36 months in Figure 3. At these points, workers in our sample are much more likely to transition to their next job on their resume. There are two likely explanations for this pattern.

First, many employers review and promote employees on an annual cycle, with workers more likely to change jobs—or leave for a new employer—at these annual points. Second, this pattern is also likely due partly to the way job seekers report their work history on resumes, with many employees rounding the starting and ending dates for each job to the nearest calendar year.

TREND #3: SOME INDUSTRIES CHANGE JOBS FAR MORE OFTEN.

Workers in some industries change roles on their resumes much more frequently than others.

In our sample, the industry with the most frequent job changes is the construction, repair and maintenance industry. Employees in that sector change jobs every 10.6 months on average. By contrast, the industry where employees spend the most time in jobs is government. Employees in the public sector spend on average 18.6 months in jobs before moving on to a new role, eight months longer than in the construction industry, and 3.6 months longer than average.

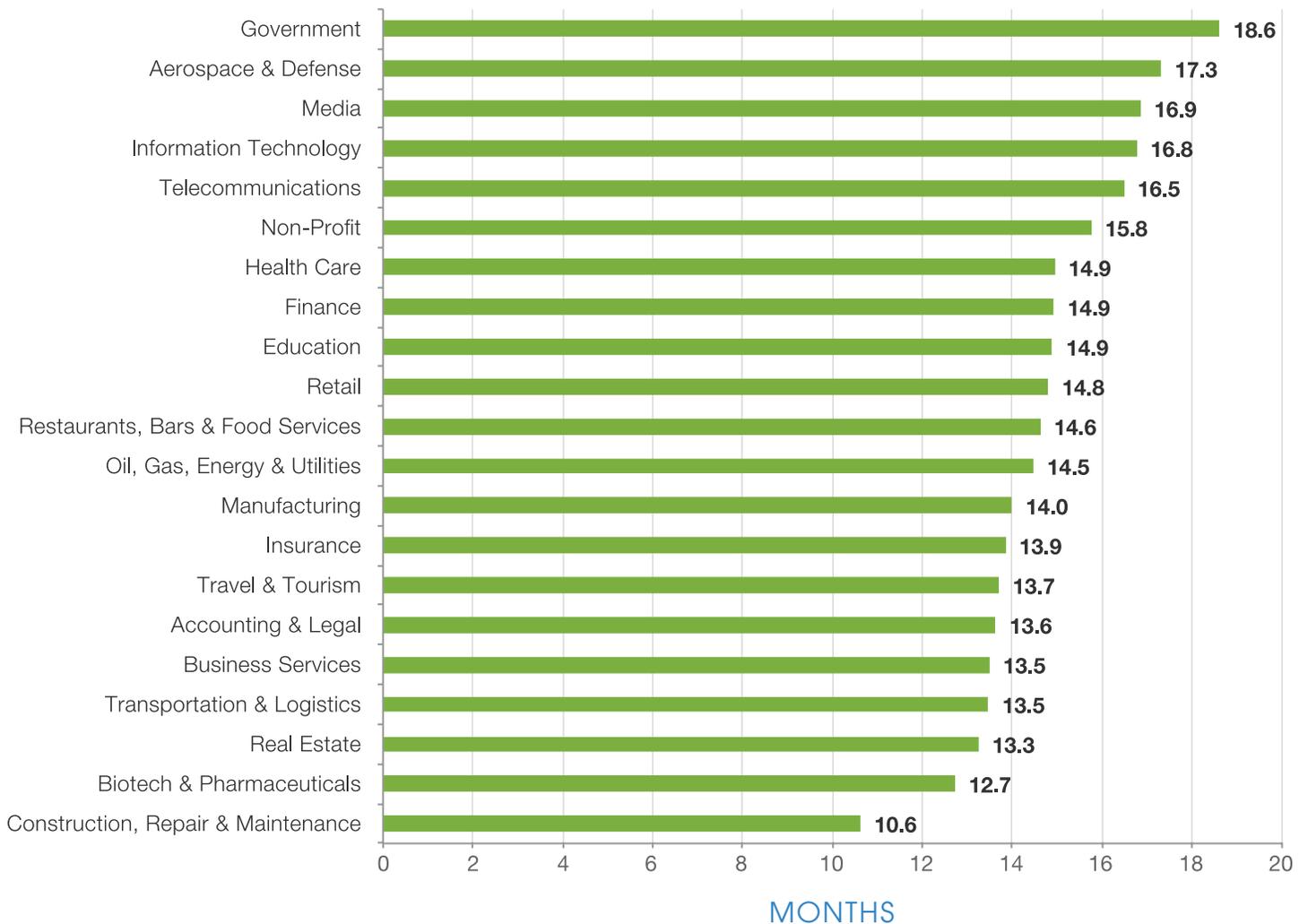
Figure 4 shows the breakdown of average months spent in jobs by industry. For statistical reliability, we only show industries with more than 15 observed job transitions in our sample.⁷

Other industries with relatively high rates of employee turnover in our sample are biotech and pharmaceuticals (12.7 months), real estate (13.3 months), transportation and logistics (13.5 months), and business services (13.5 months). By contrast, industries with relatively low rates of turnover include aerospace and defense (17.3 months), media (16.9 months), information technology (16.8 months), and telecommunications (16.5 months).

What explains these patterns? Partly this reflects the nature of work in different industries. For example, most construction work is seasonal, and workers routinely change jobs and employers after each project is completed. By contrast, public sector roles tend to be famously stable, with workers staying in jobs for longer periods of time.

⁷ Three industries were omitted due to insufficient sample sizes: agriculture and forestry, consumer services, and arts, entertainment and recreation.

FIGURE 4. Time Spent in Jobs Varies Widely Among Workers



Source: Glassdoor Economic Research ([Glassdoor.com/research](https://www.glassdoor.com/research))

TREND #4: WHEN WORKERS CHANGE JOBS, THEY USUALLY GET A PAY RAISE.

Employees change jobs for many reasons. Some are promoted to more senior positions. Some make horizontal moves into new job functions. And, less commonly, some make a downward move following layoffs or during economic recessions. For our analysis, we linked up job transitions from resumes with Glassdoor salary data to estimate the annual base pay for each job along workers' career paths.

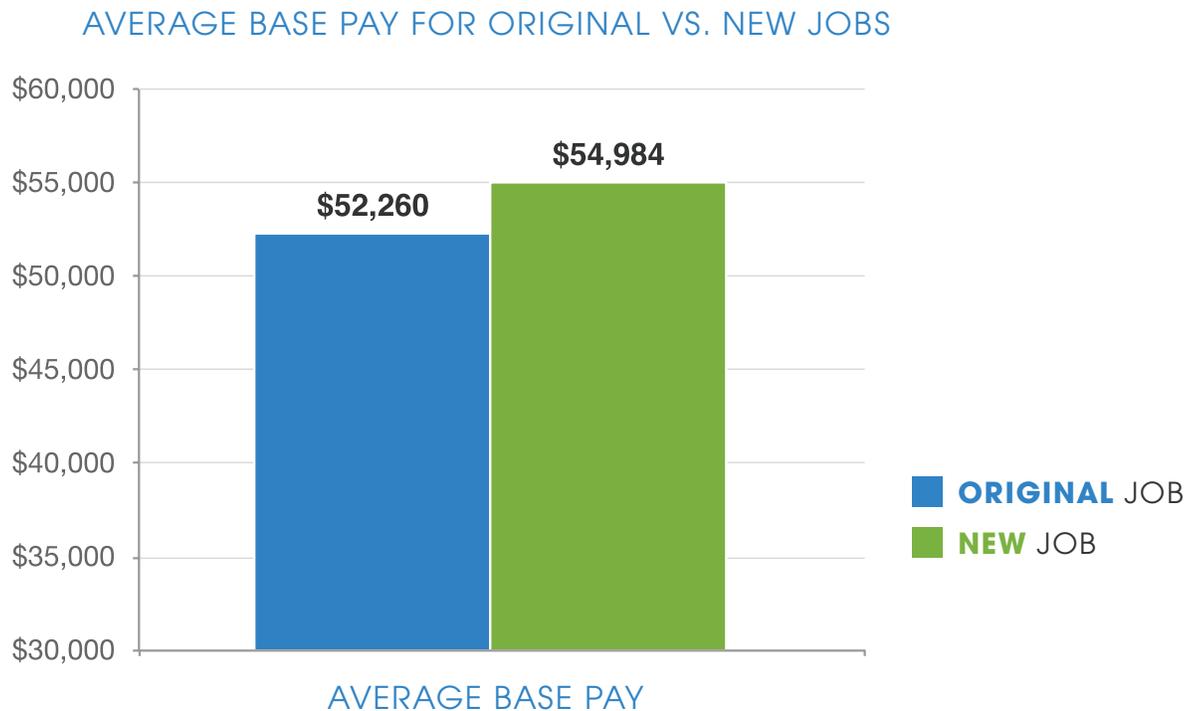
In our sample, most job transitions were upward moves, with 3,146 or 63 percent of job moves resulting in the same or higher base pay for workers. By contrast, 1,860 or 37 percent of job moves resulted in lower pay for workers.

For the original jobs in our sample, the average base pay was \$52,260. That's just above the median U.S. base pay for salaried, full-time workers in the nation as a whole of \$51,360 according to the January 2017 Glassdoor Local Pay Reports.⁸ For the new jobs these workers transitioned to, average base pay was \$54,984. That amounts to an average pay raise of \$2,724 per year, or 5.2 percent, from changing jobs.

On average, those who moved to new roles within their employer earned higher pay raises than those who left for an outside option. Workers who moved internally earned an average pay raise of \$7,133 or 14 percent. By contrast, those who left for a new employer earned an average pay raise of \$1,103 or 2.1 percent. This suggests most internal moves in our sample were for promotions and higher pay, while at least some external moves were horizontal or downward career steps.

Figure 5 shows the average base pay for the original and new jobs in the 5,006 job transitions from resumes we studied.

FIGURE 5. Workers On Average Earned a 5.2 Percent Pay Raise by Changing Jobs



Source: Glassdoor Economic Research ([Glassdoor.com/research](https://www.glassdoor.com/research))

⁸ Source: Glassdoor Local Pay Reports, January 2017. Available at www.glassdoor.com/research/local-pay-reports-january-2017/.

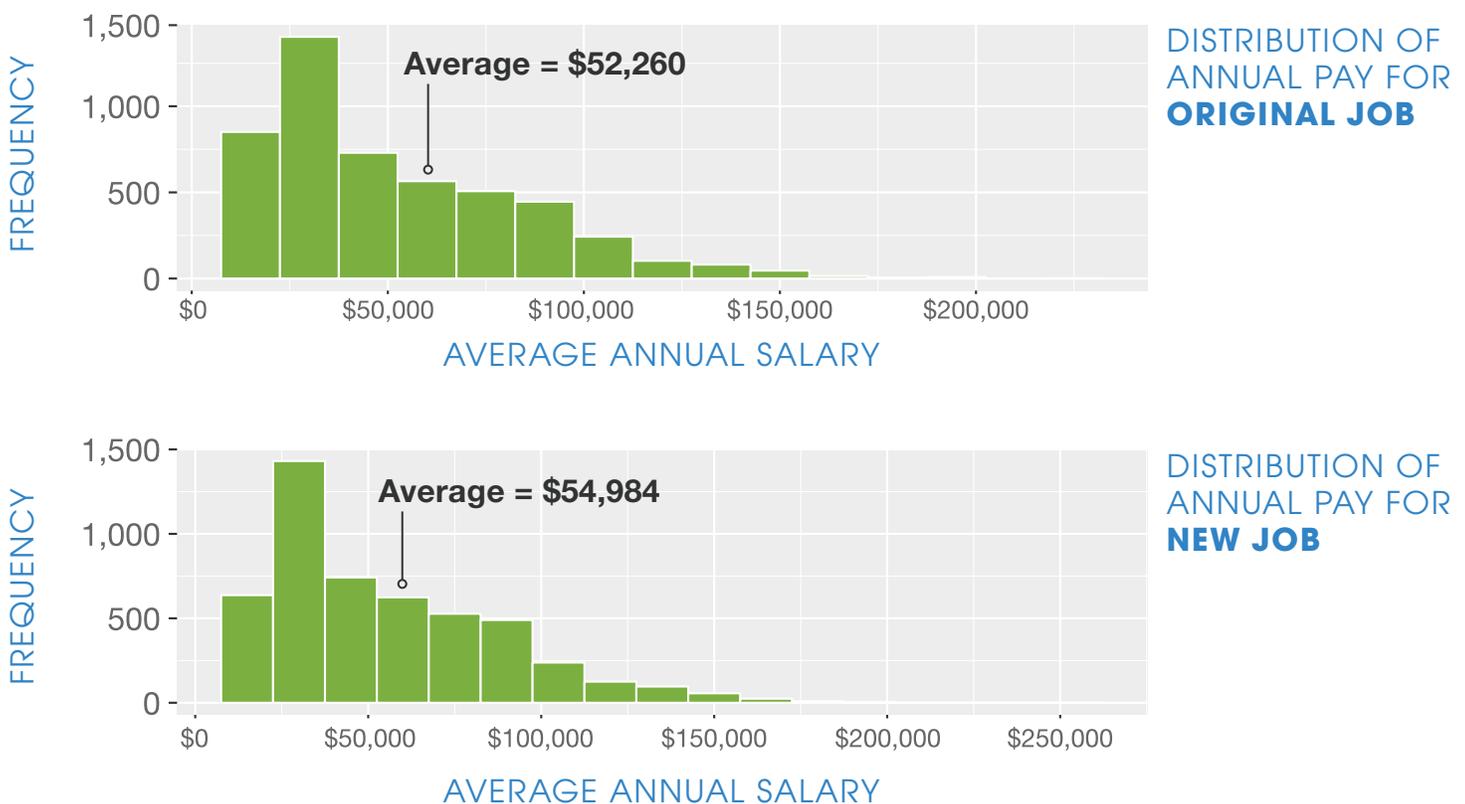
Are These Salaries Representative?

Rather than just looking at average pay, we can also look at the full distribution of pay for the original and new jobs in our sample. This helps us understand whether the group of workers we examined in this study is broadly representative of workers earning all pay levels or not.

Figure 6 shows the distributions of pay for original and new jobs in our sample. The top panel shows average base pay for the original job, and the bottom panel shows average base pay for the new job.

As is clear from Figure 6, the overall distribution of base pay doesn't look dramatically different from the overall distribution of pay in the U.S. labor market. Research shows that U.S. incomes typically follow a "lognormal" pattern, with many lower income workers and just a few high earners at the top of the pay spectrum.⁹ Our salaries for original and new jobs in our sample from resumes generally fit that same overall pattern.

FIGURE 6. Distribution of Pay in Our Sample is Broadly Similar to U.S. Income Distribution



Source: Glassdoor Economic Research ([Glassdoor.com/research](https://www.glassdoor.com/research))

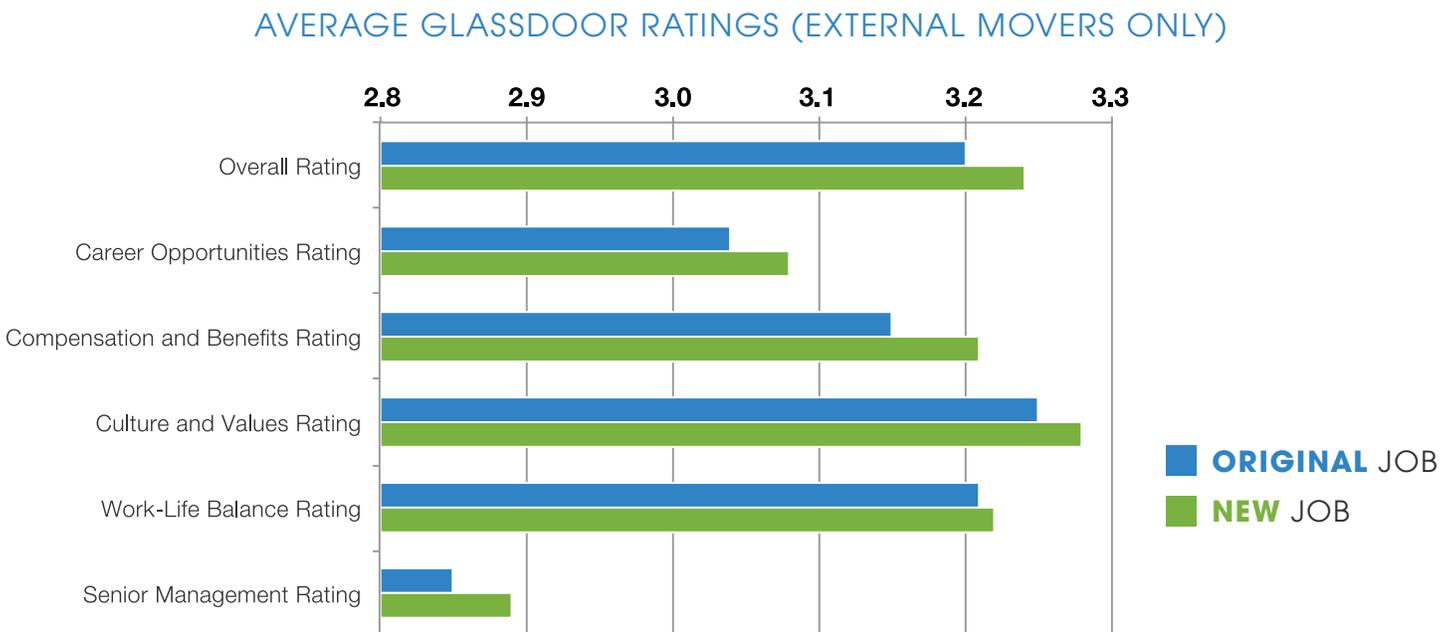
⁹ For background on the large empirical literature on the lognormal distribution of incomes, see Maxim Pinkovskiy and Xavier Sala-i-Martin (2009), "Parametric Estimations of the World Distribution of Income," NBER Working Paper No. 15433. For a discussion of the economic theory behind such "power law" distributions in economics, see Xavier Gabaix (2016), "Power Laws in Economics: An Introduction," *Journal of Economic Perspectives*, Vol. 30, No. 1, pp. 185-206.

TREND #5: WHEN WORKERS LEAVE EMPLOYERS, IT'S USUALLY FOR BETTER CULTURE.

One powerful feature of Glassdoor data is that we're able to measure company culture for each employer in our study. When workers change companies, do they aim for employers with better culture?

Figure 7 shows average Glassdoor ratings for employers of the original and new jobs, for workers who changed employers in our sample. The blue bar shows average ratings for the original employer, and the green bar shows average ratings for the new employer. We examined six measures of company culture from Glassdoor: overall rating, career opportunities, compensation and benefits, culture and values, work-life balance, and quality of senior management.

FIGURE 7. When Employees Do Leave, They Usually Do So for Better Company Culture



Source: Glassdoor Economic Research ([Glassdoor.com/research](https://www.glassdoor.com/research))

As is clear from the figure, employees in our sample who leave their employer on average gravitate toward companies with better Glassdoor ratings. In all six measures of company culture we examined, average ratings were higher for the new employers that employees took jobs at, and were lower for their original employers. Regardless of whether employees received raises or not, on average workers in our sample traded up to companies with better workplace culture for their new roles.

¹⁴ As a robustness check, we also estimated our models based on the restriction that CEOs must have (1) at least 10, and (2) at least 30 CEO approval ratings. None of our findings were materially different under either of these two alternatives.

This does not necessarily mean workers *always* leave for employers with better culture. Many factors influence an employee's decision of whether or not to leave an employer. Additionally, because the employees in our sample are highly engaged users of Glassdoor who pay close attention to company culture, they may not be fully representative of the broader labor market. However, it suggests that company culture may play a key role when workers are choosing whether to stay or leave for the next step in their career path—something we explore statistically in the next section.

IV. Statistical Analysis: What Factors Predict Employee Retention?

In Section III we presented five key trends we see in job transitions from resumes. In this section, we go a level deeper. Using simple regression analysis, we quantify which of the factors—salary, company culture, job tenure and more—best predict whether employees will stay or leave when taking the next step on their career path.

OUR DATA

Our data consist of 5,006 job transitions extracted from resumes on Glassdoor between 2007 and 2016. We recorded the employer, job title, location and date for both the original and new jobs. We coded employees who left their employer as 1, and those who stayed as zero. We then estimated base pay for each job using Glassdoor salary data, taking into account job location and year. Finally, we collected measures of company culture for each employer from Glassdoor company reviews, taking into account job location and year.¹⁰

Table 1 shows summary statistics for the data used in our analysis. As noted in Section III, 73 percent of job moves were to a new employer, and the average job tenure is 15 months. Company sizes range from small businesses to very large retailers with 2.2 million employees. The length of time companies had been in business ranged from new startups to centuries-old municipal government employers. For initial jobs held, the average base pay was \$52,260 per year, ranging from low-income workers earning \$15,140 to senior executives earning \$229,935.

¹⁰ All analysis using Glassdoor salary and employer reviews data was completed as of November 1, 2016. To estimate salary for original and new jobs, we required that each job transition have at least two approved salaries for each combination of job title, metro location and year on Glassdoor. To estimate company culture at original and new employers, we required at least 10 approved company reviews for each combination of employer, metro location, and year.

TABLE 1. Summary Statistics for Our Data Set

Statistic	Observations	Mean	St. Dev.	Min	Max
Employee Turnover (1 = Left Employer)	5,006	0.73	0.44	0	1
Tenure at Original Job (Months)	5,006	15.02	12.14	0	88
Original Job					
Starting Year	5,006	2012	1.4	2007	2016
Year Company Founded	5,006	1940	58.1	1625	2016
Number of Employees	5,006	128,355	314,179	1	2,200,000
Average Salary	5,006	\$52,260	\$32,641	\$15,140	\$229,935
Overall Employer Rating	5,006	3.27	0.55	1.06	5.00
New Job					
Starting Year	5,006	2014	1.0	2012	2016
Year Company Founded	5,006	1943	59.6	1625	2016
Number of Employees	5,006	99,582	265,746	2	2,200,000
Average Salary	5,006	\$54,984	\$33,277	\$15,240	\$261,677
Overall Employer Rating	5,006	3.30	0.57	1.43	5.00



Source: Glassdoor Economic Research ([Glassdoor.com/research](https://www.glassdoor.com/research))

OUR APPROACH

To estimate which factors predict workers will leave their employer when moving to the next job, we use a simple “linear probability model.” We estimate the following model via ordinary least squares (OLS):

$$\text{Prob}(\text{Leave}_i=1)=\beta_0 + \beta_1 \text{Ratings}_i + \beta_2 \text{Salary}_i + \beta_3 \text{Tenure}_i + \beta_4 \text{Controls}_i + \varepsilon_i$$

where “Leave_{*i*}” is a dummy variable equal to 1 if the employee left their employer when moving to job *i*, and zero if they stayed. Ratings_{*i*} is a set of Glassdoor employer ratings, including overall rating, culture and values, work-life balance, career opportunities, senior management, compensation and benefits, and CEO approval rating.

Salary_{*i*} is the logarithm of estimated average base pay for the original job. Tenure_{*i*} is the length of time (in months) an employee spent at the original job. Controls_{*i*} is a set of controls for industry, metro location and job title. And ε_{*i*} is the usual mean-zero error term representing the impact of all unobserved factors.

How should we interpret our estimates of β₁, β₂, and β₃? They represent the “best linear predictor” of the impact of pay, company culture and other factors on the probability that the average worker will leave their employer when moving to their next job. Because the resume data used in this study are observational, the results can’t be strictly interpreted as the causal effect of these factors on turnover. Instead, the results represent our best estimate of the correlation between salary, company culture and other factors and the decision by workers to stay or leave their employer.

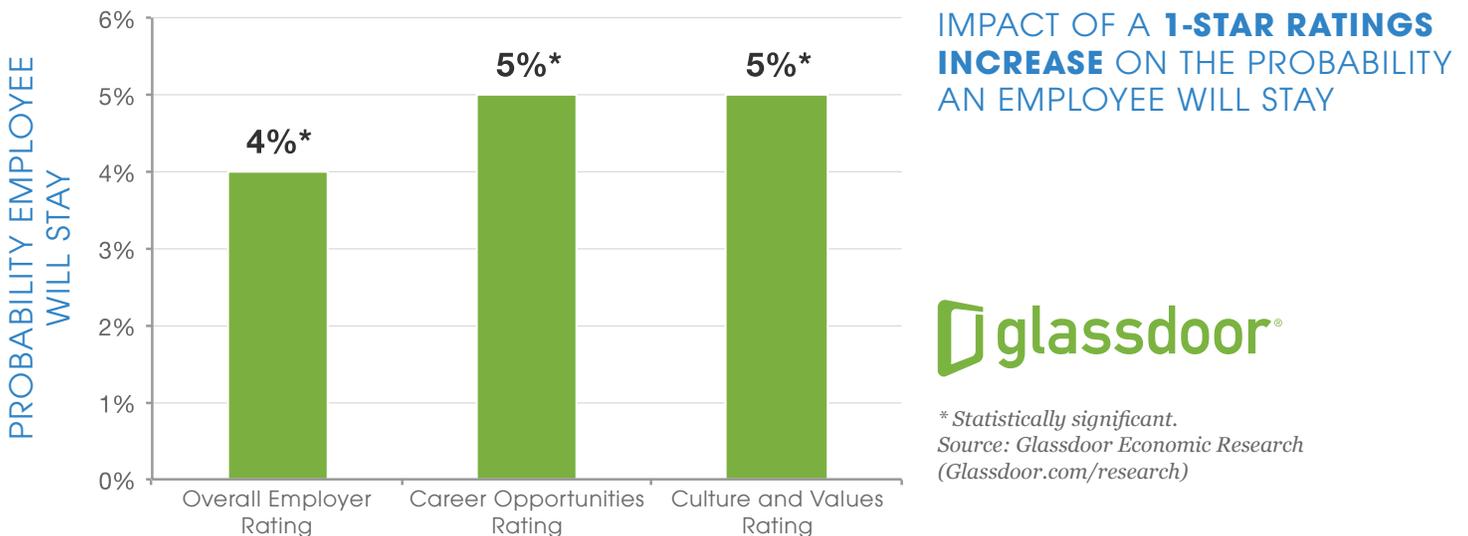
RESULTS: THREE FACTORS THAT MATTER

Our statistical analysis reveals three factors that matter most for employee retention: (1) company culture, (2) employee salary, and (3) stagnating for long periods of time in the same job. We explain each finding below.¹¹

FINDING 1: COMPANY CULTURE MATTERS FOR EMPLOYEE RETENTION.

When it comes to retaining employees, our data suggest three aspects of company culture have a statistically significant impact on employee retention: Overall employer rating, the quality of career opportunities, and the culture and values of the employer. Figure 8 summarizes the impact of each of these factors on employee retention from our statistical analysis.

FIGURE 8. Better Company Culture Predicts Employee Retention



First is the overall company rating on Glassdoor. We find that workers at employers with better overall ratings were statistically more likely to stay at the company for their next job. A one-star increase (on a scale from 1 to 5) in overall company rating raises the probability that the typical employee will stay for their next job by 4 percent—a statistically significant impact.

Second is career opportunities rating. Employees who worked at companies with higher career opportunities ratings on Glassdoor were statistically more likely to stay in-house for their next role. We find that a one-star increase in career opportunities ratings for an employer boosted the probability that the typical employee will stay for their next job by a statistically significant 5 percent.

¹¹ For a complete table of regression results, please see the Appendix.

Finally, we found that better culture and values of the organization predicts lower employee turnover. A one-star increase in culture and values ratings on Glassdoor raises the odds that a typical employee will stay when making their next job transition by a statistically significant 5 percent.

These findings echo previous research showing that career opportunities and the culture and values of an organization are among the top drivers of employee satisfaction.¹² It should come as little surprise that employers who offer attractive culture and values and provide clear upward career paths for employees are more likely to retain workers who are looking for the next job in their careers.

Among the six workplace culture factors we examined, three did not have a statistically significant effect on employee turnover: work-life balance, senior leadership, and compensation and benefits ratings. Although previous Glassdoor research has shown these factors to be important predictors of overall employee satisfaction, our results suggest they do not play a key role in a typical employee's decision of whether to stay or leave a company when moving to their next role.

FINDING 2: PAY MATTERS FOR EMPLOYEE RETENTION.

The second finding from our statistical analysis is that higher base pay has an important impact on whether employees are more likely to stay or leave for their next role.

On average, we find that a 10 percent higher base pay is associated with a 1.5 percent higher chance that a worker will stay at the company for their next role—a statistically significant effect.¹³ This finding remains even after we statistically control for measures of company culture, job title, industry, job location and other factors.

Figure 9 shows the statistical impact of higher pay on the odds that a typical worker will stay for their next role.

FIGURE 9. Better Pay Predicts Employee Retention



¹² See for example, Patrick Wong (January 17, 2017). "Does Money Change What We Value at Work?" Glassdoor Economic Research blog. Available at www.glassdoor.com/research/more-money-change-value-at-work/.

¹³ Because our salary regressor is expressed as the natural log of salary in our estimating equation, the marginal effect of salary on the odds of leaving an employer is calculated as $\Delta \ln \text{Prob}(\text{Leave}=1) = (\beta_2 / 100) * (\% \Delta \text{Salary})$. For additional detail see http://www.ats.ucla.edu/stat/sas/faq/sas_interpret_log.htm.

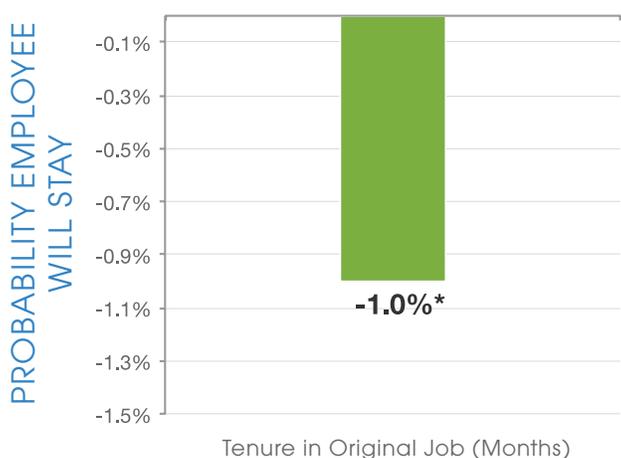
This result suggests that pay, separately from offering strong career opportunities to workers, matters for retaining employees. While it is important to provide upward career paths to workers, this result suggests that symbolic “job title promotions” alone without higher pay may not be an effective way of improving retention. Instead, maintaining competitive base pay appears to be an important factor in predicting lower employee turnover.

FINDING 3: WORKERS WHO STAGNATE IN JOBS ARE MORE LIKELY TO LEAVE.

The last finding from our statistical analysis is about *job stagnation*. Our data clearly show that employees who stagnate longer in a given role are significantly more likely to leave their employer for their next job, even after controlling for factors like salary, industry, job title and measures of company culture.

On average, we find that stagnating in a given role for an additional 10 months is associated with a 1 percent higher chance that the typical employee will leave the company for their next job—a statistically significant impact. Figure 10 shows the impact of this type of job stagnation on the odds a typical employee will leave for their next role.

FIGURE 10. Job Title Stagnation Can Hurt Employee Retention



IMPACT OF **10 ADDITIONAL MONTHS** IN A JOB TITLE ON THE PROBABILITY AN EMPLOYEE WILL STAY



* Statistically significant.

Source: Glassdoor Economic Research ([Glassdoor.com/research](https://www.glassdoor.com/research))

What does this finding mean? First, it suggests employees who languish in a job too long are likely discouraged about career prospects in the company, making them more likely to look elsewhere for their next role. Alternatively, it suggests employees who are a poor fit for the organization to begin with, and who will ultimately leave the company to find a better fitting employer elsewhere, are more likely to stagnate in a given role.

In either case, the lesson for employers is clear: Be wary of job stagnation. One simple way employers can help minimize this driver of workforce turnover is by creating clear and predictable career paths that escalate employees rapidly through roles in the organization. By moving employees upward—or off to better fitting employers elsewhere—can help minimize the risk of this type of turnover linked to job stagnation.

V. Limitations

All data have limitations, and the resume data used for this study are no exception. Here are the key limitations to keep in mind when thinking about the results of this study.

- **REPRESENTATIVENESS:**

Our sample of job transitions is extracted from anonymized resumes shared on Glassdoor. We cannot assure that these individuals are fully representative of the broader U.S. workforce, and patterns in job transitions for the entire U.S. population may differ in important ways from this sample.

- **ACCURACY:**

Individuals don't always report their work experience the same way on resumes. By using career progressions from resumes, we rely the job information provided by individual job seekers, which cannot be independently verified.

- **SEPARATION REASONS:**

We are not able to observe on resumes whether separations from employers are voluntarily or involuntary. Involuntary separations likely comprise a small percentage of our sample—according to BLS JOLTS data, involuntary layoffs make up about 33 percent of all job separations.¹⁴ To the extent that workers in our sample left an employer because of an involuntary layoff rather than a voluntary separation, our estimates of the impact of pay and company culture on employee turnover may be biased in unknown ways.

¹⁴ Source: BLS JOLTS survey, "layoffs and discharges," November 2016. Available at www.bls.gov/jlt/.

VI. Conclusion

Workers change jobs and companies many times as they move through their careers. When looking for the next job, what factors influence the decision to stay or leave your current employer?

Based on a unique data set of real-world job transitions from resumes on Glassdoor, we examined which factors statistically matter most for employee turnover. From our analysis, three results are clear.

First, better company culture is associated with lower employee turnover. Improving an employer's overall Glassdoor rating by one star boosts the odds that a typical employee will stay inside the company for their next job by a statistically significant 4 percent. Similarly, having better career opportunities and culture and value ratings on Glassdoor are also statistically linked to better employee retention.

Second, more competitive pay is statistically linked to lower employee turnover. We find 10 percent higher base pay predicts that employees are on average 1.5 percent more likely to find their next job inside their current employer—a statistically significant impact.

Finally, job stagnation matters. Each additional 10 months an employee stagnates in a given job makes them 1 percent more likely on average to leave the company when the time comes for them to eventually move on to their next role.

For employers looking to boost retention, these findings suggest several pathways for improvement: Creating upward career paths for employees, maintaining a competitive base compensation package that is reviewed regularly, being wary of job title stagnation in the workforce, and making an investment to improve the perceived culture and values of the organization.

Each of these factors are statistically linked to lower employee turnover in our analysis of resume data. Although most employees change jobs and employers many times throughout a career, paying attention to these key drivers of employee turnover may be able to help today's organization do a better job of retaining their key talent.

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100 Shoreline Hwy,
Mill Valley, CA 94941

Web: [glassdoor.com/research](https://www.glassdoor.com/research)

Email: economics@glassdoor.com

Appendix

Note: OLS linear probability model regression of the probability of leaving current employer on various features of jobs and companies.

DETAILED TABLE OF REGRESSION RESULTS

Variable	(1)	(2)	(3)	(4)	(5)	(6)
Overall Glassdoor Employer Rating	-0.17*** (0.01)		-0.15*** (0.01)		-0.04*** (0.01)	
CEO Approval Rating		0.01 (0.03)		0.01 (0.03)		-0.01 (0.04)
Career Opportunities Rating		-0.10*** (0.02)		-0.12*** (0.02)		-0.05* (0.02)
Culture and Values Rating		-0.03* (0.02)		-0.04** (0.02)		-0.05** (0.02)
Work-Life Balance Rating		-0.08*** (0.02)		-0.05*** (0.02)		0.03 (0.02)
Senior Leadership Rating		-0.02 (0.02)		-0.003 (0.02)		0.02 (0.03)
Compensation and Benefits Rating		0.05*** (0.01)		0.06*** (0.01)		0.02 (0.02)
Employer Year Founded			0.001*** (0.01)	0.001*** (0.01)	0.000 (0.01)	0.000 (0.01)
Employer Size (No. Employees)			0.02*** (0.01)	0.02*** (0.01)	0.0005 (0.01)	0.001 (0.01)
Tenure in Original Job (Months)			-0.001 (0.01)	-0.001* (0.01)	0.001** (0.01)	0.001* (0.01)
Salary at Original Job (Log)			-0.01 (0.01)	-0.02 (0.01)	-0.15*** (0.06)	-0.15*** (0.06)
Constant	1.28*** (0.04)	1.29*** (0.04)	-35.98*** (11.55)	-28.57** (11.66)	-36.75*** (13.11)	-36.47*** (13.18)
Controls						
Job Title	No	No	No	No	Yes	Yes
Industry	No	No	No	No	Yes	Yes
Metro Location	No	No	No	No	Yes	Yes
Observations	5,006	5,006	5,006	5,006	5,006	5,006
Adjusted R ²	0.04	0.04	0.07	0.06	0.28	0.28

Note: *, **, and *** denote statistical significance at the 10, 5 and 1 percent levels, respectively. Heteroskedasticity robust standard errors are shown in parentheses.