Why & How People Change Jobs

Attract, recruit & empower quality candidates with 2015 insights from one of the world's largest studies of recent job changers



Why read this report

In the past 4 years, the percentage of people open to changing jobs has spiked. Yet, recruiting quality candidates is still hard.

Our new report can help recruiters convince the right candidates with the right messages through the right sourcing channels. We've uncovered the #1 reason people change jobs, the #1 way they first discover their job, their biggest hurdle to changing jobs, and more. Our findings are based on one of the largest behavioral & survey studies of job changers in the world – 7 million LinkedIn members and 10K+ survey takers. Learn more inside.

Introduction

For the first time in the past 4 years, the % of people open to changing jobs has spiked (2015 LinkedIn Talent Trends). Yet as a recruiter, it's still hard to convince candidates to join your organization. Shore up your talent brand, sourcing & recruiting strategy by learning more about why & how people changed jobs in 2015.

Active job seekers grow by 36% over 4 years

Actives

Active defined as actively looking & casually looking a few times a week



Warm passives grow by 16% over 4 years

Warm passive defined as reaching out to a personal network & open to talking to a recruiter

Warm Passives



Super passives dwindle by 55% over 4 years

Super passive defined as completely satisfied; don't want to move

Super Passives



"How would you classify your current job search status?" Source: LinkedIn Talent Trends, (2011-15).

5 findings about why & how people change jobs

1 Appeal to the **#1 motive for changing jobs – career opportunity**

2 Invest in **referrals**, the top channel people used to discover their new job

3 A talent brand opportunity: Candidates' top obstacle is not knowing what it's like to work at an organization

4 Small is the new big: Know why people in every region flock to smaller companies

5 1 in 3 who changed jobs, **changed careers** entirely¹ (among those we surveyed)

¹Changing careers are defined as someone who both moved to a new company and changed their function

1 Who changed jobs & where

To understand how people changed jobs, we analyzed the behaviors of 7M LinkedIn members



✓ May have changed functions or industries

Small is the new big: Emboldened professionals flock to smaller organizations

Large organizations are losing talent

Net # of global professionals joining/leaving organizations with 5K+ people

... and small organizations are gaining talent

Net # of global professionals joining/leaving organizations with <500 people



The tech, healthcare, oil & energy industries grow in talent as others lose out

Industries with the most people joining & leaving Net # of people joining the industry from another industry in 2014



The engineering talent gap continues as growing supply still can't keep up with demand

Even with the large influx of engineering talent

Engineering has the second largest net number of people who joined the function from another function in 2014



...it's still the 2nd most difficult job to fill in the world¹

Most difficult to fill jobs globally

- 1. Skilled trade workers
- 2. Engineers
- 3. Sales representatives
- 4. Technicians
- 5. Accounting & finance staff
- 6. Management / executives
- 7. IT staff
- 8. Drivers
- 9. Administrative assistants & support
- 10. Laborers

"Entrepreneurship" includes creation of new businesses or ventures. Includes founders and owners of businesses. Does not include most independent contractors.

"Skilled trades" includes blue collar jobs such as electricians, carpenters, cabinet makers, masons/bricklayers, plumbers and welders.

Source: LinkedIn member data looking at the number of people who changed companies in 2014.

¹ ManpowerGroup, <u>The Talent Shortage Continues</u>, (2014).

3 tips to tailor your recruiting strategy to who changed jobs & where they went in 2015

1 Infuse your employer value proposition with small organization traits: In every part of the world, people are flocking to smaller organizations. Recruit entrepreneurially-minded professionals by appealing to what attracts people to small organizations (next chapter).

2 Play hardball for engineering talent: Engineering talent surges but not enough to fill demand. Know the functions and skills you're recruiting for cold, use data and smart Boolean search tactics to uncover hidden pools of STEM talent, rally your employees to refer their STEM contacts, and train your recruiters to be best-in-class at networking for referrals.

3 Know your talent pool & uncover hidden gems: Know how many people are in your target talent pool by using essential job criteria to search for them. To uncover hidden talent pools, use Search Insights in LinkedIn Recruiter to view your talent pool by company, school, location, skills, and more.

2 Why people change jobs

To understand why people changed jobs, we surveyed 10.5K+ recent job changers



Source: LinkedIn survey, Why & How People Change Jobs, (Mar 2015). Surveyed those who moved to a new company between Dec 2014 and Mar 2015. 90% of the sample was employed full-time while the remaining were contracting, part-time, freelancing, students, or self employed. 51% of surveyed professionals changed industries.

The #1 reason for changing jobs? Career opportunity

Why they left: Concern for career advancement

Top reasons people left their old job (global average)

I was concerned about the lack of opportunities for advancement	45%
l was unsatisfied with the leadership of senior management	41%
I was unsatisfied with the work environment / culture	36%
I wanted more challenging work	36%
I was unsatisfied with the compensation / benefits	34%
I was unsatisfied with the rewards/recognition for my contributions	32%

Why they joined: Hope for career opportunity

Top reasons people joined their new job (global average)

-	
Stronger career path / more opportunity	59%
- Better compensation/benefits	54%
The work sounded more challenging	47%
Better fit for my skills and interests	47%
More ability to make an impact	42%
I believed in the company's overall direction	39%

Source: LinkedIn survey, Why & How People Change Jobs, (Mar 2015). Showing global average. "Which of the following contributed to your decision to leave your previous employer?" and "Which of the following contributed to your decision to accept the job at your current company?"

People joining small organizations want challenge, impact, vision, and culture but not necessarily pay



People who joined small organizations (<500 people)</p>

Global average

Source: LinkedIn survey, Why & How People Change Jobs, (Mar 2015).

"Which of the following contributed to your decision to accept the job at your current company?"

*Marks statistically significant difference at 95% confidence level (people who joined small organizations were more/less likely to join for these reasons than the global average).

Unique reasons people join the tech & software, healthcare & pharma, and oil & energy industries



Source: LinkedIn survey, Why & How People Change Jobs, (Mar 2015).

"Which of the following contributed to your decision to accept the job at your current company?"

* Marks statistically significant difference at 95% confidence level (people who joined the industry were more likely to join for these reasons than the global average).

Unique reasons people leave retail, professional services & government / education / nonprofit

Work/life balance pushes people to leave retail & consumer products

Interest in other industries pushes people to leave government, education & nonprofit

Pay pushes people to leave professional services



Source: LinkedIn survey, Why & How People Change Jobs, (Mar 2015).

"Which of the following contributed to your decision to leave your previous employer?"

* Marks statistically significant difference at 95% confidence level (people who joined the industry were more likely to join for these reasons than the global average).

Younger generations want advancement & challenge while older generations prefer the same industry

	Millennials (Ages 18-35) (A)	Gen X (Ages 36-50) (B)	Baby Boomers (Ages 51+) (C)
Concerned about the lack of opportunities for advancement	50% ^{BC}	42% ^C	28%
Unsatisfied with the leadership of senior management	40%	43% ^A	42%
Wanted more challenging work	43% ^{BC}	31% ^C	22%
Unsatisfied with the compensation or benefits	40% ^{BC}	29% ^C	23%
Unhappy with the rewards/recognition for my contributions	35% ^{BC}	30% ^C	25%
Disagreed with the overall direction of the organization	25%	27% ^A	25%
Interested in trying out a new industry	21% ^{BC}	11% ^C	7%

Source: LinkedIn survey, Why & How People Change Jobs, (Mar 2015).

"Which of the following contributed to your decision to leave your previous employer?"

ABC Marks statistically significant difference at 95% confidence level (people in one generation was were more/less likely to cite these reasons than other generations).

Recruit women by highlighting great leadership, culture fit, and work/life balance

3 reasons women are more likely than men to leave



Source: LinkedIn survey, Why & How People Change Jobs, (Mar 2015).

"Which of the following contributed to your decision to leave your previous employer?"

* Marks statistically significant difference at 95% confidence level (one gender was more likely to cite reason for leaving than the other gender).

Although money isn't the main reason people change jobs, prepare to pay: 74% get more in their new jobs

Compensation is the #2 reason people accept the new job. 54% of those who recently changed jobs accepted their new role because of better compensation / benefits.



Current comp compared to previous

Source: LinkedIn survey, Why & How People Change Jobs, (Mar 2015). Showing global average.

"How does the compensation package offered for your current role compare to that of your previous role? Please consider your compensation package to include base salary and bonuses. Compared to my previous role, my current compensation is..."

74% get a higher salary in their new role

How pay in the new job compares to the old

1 in 3 who changed jobs, changed careers entirely – Learn to match transferable skills & experiences



Career Changers

(among those we surveyed)



Lateral Movers*

(among those we surveyed)

Career Changers are hungry for new challenges

- ✓ Want to be challenged
- ✓ Their old job was a poor fit for their skills
- ✓ Curious to try out a new industry

Lateral Movers are unhappy and want more

- Dissatisfied with the leadership of senior management
- ✓ Want better compensation at new company
- ✓ Drawn to overall direction of new company

Source: LinkedIn survey, Why & How People Change Jobs, (Mar 2015). Showing global average of survey takers. "Which of the following best describes your previous role (prior to your recent job change)?" & "Which of the following best describes your current role?" "Lateral Movers" defined as those who stayed in the same function and switched companies. May have changed titles or received a promotion.

"Career Changers" defined as those who changed functions and switched companies.

5 ways to appeal to people's strongest motivations for changing jobs

1 Appeal to the #1 motivation for changing jobs – career opportunity: Close candidates on career opportunity not compensation. Describe the work and expected results, not the background requirements and personality traits to be checked off.¹

2 Tailor your message for Millennials, Gen X & Baby Boomers: Sell Millennials on how you can satisfy their hunger for advancement and challenge. Close Gen Xers on the quality of your senior management and the inspirational direction of your organization. Woo Boomers who are interested in sticking within the same industry.

3 Would women want to work at your organization? Make it a yes: Engage women by highlighting your organization's quality leadership, culture fit, and work/life balance. After you recruit women, back up your promises.

4 Don't dismiss career changers: A whopping 1 in 3 people we surveyed changed careers². Be open to recruiting them. Assess how their transferrable skills and accomplishments apply to your role.

5 Infuse your employer value proposition with messages about opportunity: Tie your organization with the strongest motivator for why people search for greener pastures. Don't forget to survey your current employees to craft tailored messages that will resonate with future employees.

¹ Lou Adler & LinkedIn Recruiting Master Class webcast series, (Apr-Jun 2015). ² Career changer defined as someone who moved to a new company and changed their function.

3 How people change jobs



Invest in referrals, the #1 way people first hear about their new job globally



Top 5 places people first hear about the new job:

1 Referrals / Someone I know

- 2 Staffing agency / 3rd party recruiting firm
- 3 Online job board
- 4 Social professional networks
- 5 Hiring manager outreach



Bottom 5 sourcing channels:

1 Print publications

- 2 Trade publications
- 3 Blogs or RSS feeds
- 4 Trade shows
- 5 TV/radio ads

Tailor your sourcing channels to different regions



Source: LinkedIn survey, Why & How People Change Jobs, (Mar 2015). "How did you first read, see or hear about the new job opportunity (your current position)" Channels highlighted for regions are statistically more likely to be used than global average at the 90% confidence level.

Younger professionals are the most comfortable using online career channels

Tailor your sourcing channels to different generations

Unique differences between how different generations first hear about the new job

	Millennials (Ages 18-35)	Gen X (Ages 36-50)	Baby Boomers (Ages 51+)
From someone I knew at the company			
A third party recruiter / headhunter / staffing firm contacted me			
Third party website or online job boards			

Source: LinkedIn survey, Why & How People Change Jobs, (Mar 2015).

"How did you first read, see or hear about the new job opportunity (your current position)?"

Highlighted when people in one generation were more likely to cite these channels than the global average at a 90% confidence level.

Showcase your talent brand: Candidates' top obstacle is not knowing what it's like to work at an organization

Biggest challenges facing global professionals who changed jobs



	Not knowing what it's really like to work at the company
	Applying to the company and not hearing back
	Receiving inconsistent/unclear communication from co. during recruiting process
	Facing difficulty negotiating my salary, title, role, etc.
	Being contacted by recruiters who didn't match me with the right role
	Being inaccurately assessed on my qualifications/ fit during the interview
	Getting rejected by a company without a fair chance
	Being contacted by recruiters who didn't provide me with enough info about the.
	Having false assumptions or stereotypes made by interviewers
	Having a negative experience with the interviews and interviewers
1	Not knowing which job to apply to

Stand out by listening to candidates' top complaints about the recruiting process



Hiring managers want unicorns out of the gate and don't give skilled people a chance. They aren't willing to invest in training.

Cookie cutter job descriptions that don't necessarily reflect the actual job requirements.

Recruiters' lack of knowledge about the industry or job they're hiring for.

Sloooow processes, too much mystery, never hearing back.

There's so much pressure on networking when most candidates and companies aren't good at it.

Too focused on checking off the boxes. Inability to assess talent that fits outside the box.

Recruiting is overdue for reinvention.

"

Reach the 75% of job changers who used LinkedIn to inform their career decision



Three quarters of people who recently changed jobs used LinkedIn to inform their career decision

Be top of mind during candidates' top 5 job seeking activities on LinkedIn

- 1. Looking at employee profiles
- 2. Researching the company before applying
- 3. Discovering new companies to work for
- 4. Reaching out for advice or information about the new job
- **5.** Applying for a job

5 ways to use the right sources of hire to find the right candidates

1 Invest in referrals, the #1 way people first hear about their new job: Start every search assignment with the question: "Who knows my candidate?" Use LinkedIn to search connections' connections. Ask, "Who's the best person you know in (field)?" Don't call anyone who's not a recommended top performer. Mention the referrer to maximize your call back rate. On the call, Only ask questions that get a "Yes" such as, "Would you be open to discussing a career opportunity?" Develop a deep network by connecting with all candidates regardless of the outcome.¹

2 Tailor your sourcing mix to different regions of the world: People lean toward different career channels in different locations. Invest in the top sourcing channels in your region.

3 Tailor your sourcing channels for Millennials, Gen X & Boomers: Younger candidates lean toward online career channels. Invest where your target audience prefers to discover job opportunities.

4 Get ahead by addressing top job changer pain points: Create content that shows what it's like to work at your organization & don't forget to promote it through the channels your target candidates use. Acknowledge when people apply & when you've reviewed their application.

5 Encourage your colleagues to be brand ambassadors on LinkedIn: Looking at profiles is the #1 activity on LinkedIn. Inspire your employees to be brand ambassadors, updating their LinkedIn profiles to put your organization's best foot forward.

¹ Lou Adler, LinkedIn Talent Blog, "How To Get More Referrals To Maximize Quality Of Hire," (May 2015).

Offer career growth, not jobs

People are leaving their jobs in search of better career opportunities. Yet recruiting leaders still have a hard time getting quality candidates to respond. Convince the best candidates by showing how your jobs & talent brand connect with people's deepest career aspirations. Reach out to them through friends, family & former colleagues they trust. Attract & recruit the 75% of job changers who used LinkedIn to inform their career decision. If you do that, you'll transform their careers & your own.

Methodology

We analyzed the job changing behaviors of 7M LinkedIn members globally by looking at members who changed companies (i.e. members who departed one company and moved to a different company) between January and December of 2014. Anyone who was promoted within their company or transferred to a new team internally was **not** taken into account in this report.

To determine where people moved from / to by company size, industry and job function, we grouped members by their previous company size, previous industry, and previous job title and separately their new current company size, industry, and job title. Once grouped, we compared the overall previous and current company size groups, industry groups, and function groups by net movement during 2014 to calculate net increases or decreases.

The results of this analysis represent the world as seen through the lens of LinkedIn data. As such, it is influenced by how members chose to use the site, which can vary based on professional, social, and regional culture, as well as overall site availability and accessibility. These variances were not accounted for in the analysis. Additionally, nationality and visa status are not fields included in the LinkedIn profile. Therefore, we cannot make any inferences on the citizenship of our members who were included in this analysis.

We surveyed **10,536** people who changed companies between Dec 2014 and Mar 2015, as self reported on their LinkedIn profiles and confirmed in the survey. We invited LinkedIn members to participate in this survey through an e-mail invite sent by LinkedIn in March 2015. We offered the survey in English only without incentives. We did not weight the data. The theoretical margin of error for this survey was +/- 1% at the 90% to 95% confidence interval and is higher for sub-groups.

- European countries surveyed: United Kingdom, Netherlands, Ireland, Denmark, Sweden, Romania, Belgium, Germany, Italy, France, Greece, Switzerland, Finland, Spain, Portugal, Israel, Poland, Turkey, Hungary, Norway, Czech Republic, Slovakia, Croatia, Ukraine, Russian Federation, Bulgaria, Lithuania, Austria, Luxembourg, Latvia, Slovenia, Bosnia and Herzegovina, Cyprus, Estonia, Iceland, Georgia, Albania & Belarus.
- Asian countries surveyed: Singapore, Philippines, Indonesia, Malaysia, China (including Hong Kong & Taiwan), Japan, Sri Lanka, Bangladesh, Thailand, Korea, Vietnam, Myanmar, Cambodia, Kazakhstan & Nepal.
- Latin American countries surveyed: Brazil, Mexico, Argentina, Colombia, Puerto Rico, Chile, Costa Rica, Peru, Trinidad and Tobago, Venezuela, Dominican Republic, Ecuador, Uruguay, El Salvador, Guatemala, Bermuda, Bolivia, Bahamas, Honduras, Jamaica, Panama, Belize, Haiti, Nicaragua & Suriname.
- ANZ includes Australia & New Zealand.
- North America includes Canada & the USA.

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About LinkedIn Talent Solutions

Attract, recruit & empower the best people for your business with LinkedIn. Get access to quality candidates – active and passive, external and internal – on the world's largest professional network of 364M+ candidates. Hire better, faster with LinkedIn's free and paid social recruiting tools.

Learn more about our recruiting tools:

Request free demo



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