The COVID-19 pandemic has forced us all to rethink how we approach business as usual. This report explores how turnover and hiring trends have changed since April 2020, and how high technology companies are reacting differently to the crisis.

The data also reveals how tenure plays a role in how employees respond to the pandemic.
Voluntary and involuntary turnover has slowed.

Figure 1 shows the continuing reduction of overall turnover through April and into May. It has decreased by 53% compared to the second week of May 2019. Changes in overall turnover are driven by both decision-making of organizations through involuntary turnover and by the actions of individual employees via resignations. Let’s unpack this further.
The data in Figure 2 reveals a clear progression in the reaction of organizations to COVID-19. Since the beginning of 2020, involuntary turnover tended to be higher than the previous year, and the data shows a sharp increase in turnover starting on April 1. This is when organizations may have responded to the pandemic by implementing cost control measures.

Further, throughout April and into May, involuntary turnover sits consistently below 2019 values. The beginning of May shows that involuntary turnover fell to 46% compared to 2019, possibly a sign that organizations are now more inclined to retain their remaining workforce.
Figure 3: Employee resignations have more than halved since the COVID-19 pandemic was declared, compared to 2019. This graph shows the change in resignation rate, comparing 2020 to 2019.

Resignation rates are indicators of how employees are reacting to this pandemic. While the resignation rate until mid-March was higher than in 2019 for the same period, the global pandemic resulted in a sharp reduction of resignations after mid-March. By mid-April the resignation rate had declined to around 7% (annualized), which was about 50% of the value in 2019.

Since the second week of April and into May, the resignation rate remains consistently low at 7% compared to the same period in 2019, when there was an uptick in resignations. For the week ending on May 9, the resignation rate is 75% lower compared to this time last year. This is an indication that employees are continuing to stay with their current employers during this time of economic uncertainty.
Figure 4: Employee resignations have been steadily increasing from 2017 to early 2020, until the pandemic began. This graph shows the change in resignation rate, comparing 2020 to 2019, 2018, and 2017.

From 2017 to early 2020, the resignation rate has been increasing as the job market tightened and historically low unemployment rates were measured in the U.S. Figure 4 shows this trend, which dramatically shifted amidst the global pandemic. The resignation rate sits at a new low point since mid-April compared to 2019.

However, resignations haven’t halted completely. The annualized resignation rate based on the second week of May remains at 7%. This means employers should still be prepared for voluntary exits during this pandemic and plan accordingly.
Figure 5: Hiring has slowed down at many employers, but not completely frozen. This graph shows the change in external hiring rate, comparing 2020 to 2019.

Hiring slows, but continues amidst the pandemic.

Since the second week of April 2020, hiring has stayed consistently low, dropping to an annualized rate of 22%. Hiring has reduced by 40% compared to the beginning of May 2019, when a notable uptick of hiring occurred (Figure 5). But, just like resignations, hiring hasn’t dropped down to zero, which indicates that there are still job opportunities available during the pandemic.
High tech companies are responding differently to the pandemic than other industries.

High tech companies are reacting differently, and in some ways more strongly to the impact of COVID-19 than other industries.

From 2017-2019, involuntary turnover was consistently higher in high tech compared to other industries. This remains true in 2020 during the pandemic, where high tech companies saw increased involuntary turnover as early as January.

The chart on the left of Figure 6 shows how involuntary turnover at high tech companies has shifted compared to earlier years. For comparison, the chart on the right of this figure shows how involuntary turnover trended in other industries (excluding retail). In the other industries chart, increases in turnover do occur in January and February, but these are much less pronounced than in high tech.

There is a sharp difference observed since the beginning of April: For high tech, there is continuous increased activity during April and into May that is growing in magnitude, while other industries seem to be holding on to their talent.
This difference in response to the current crisis is best shown in Figure 7, which compares the percent difference of the involuntary turnover rate between 2020 and 2019 for high tech and other industries. Involuntary turnover for non-tech companies is about 40 to 50% less in April and early May, while high tech companies in the same time period are increasing their involuntary turnover by up to around 250% compared to 2019.
Hiring in high tech is also quite different from other industries, as shown in Figure 8. The annualized hiring rate increased 107% from the end of March (26%) to mid-May (54%). Meanwhile, in the same time window, other industries have decreased hiring.
The difference in responses between high tech and other industries can again be shown by comparing the external hiring rate in 2020 with 2019, as shown in Figure 9. On May 9, high tech saw an increase in hiring of 26% compared to the same time period in 2019, while other industries show a hiring reduction of 35%.

So, while high tech companies have an increasing involuntary turnover rate, the data shows they are also bringing in more employees, perhaps to accommodate changing needs in the face of the new economic landscape.
Employees with higher tenure were quicker to react to COVID-19.

It is well-known that tenure is a key driver of retention, with higher tenure correlating to a lower resignation rate. The research in this report also focused on understanding whether this remains true during the pandemic, and whether recently hired employees reacted differently from employees who are more established at their organizations.

Additionally, the resignation rate for employees with one year of tenure decreased from 45% to 15% during mid-March to mid-April. While this absolute change is much higher than other employees, the relative change when compared to this cohort’s resignation rate in 2019 is actually consistent between the different employee groups. For all groups, the resignation rate decreased by 60% compared to the previous year.

Figure 10 shows that the resignation rate for new hires (employees with tenure below 1 year) at the beginning of 2020 was at 45% (annualized). This is much higher than the 20% resignation rate for employees with 1-3 years of tenure and 8% for 3+ year tenured employees.
Interestingly, employees with 3+ years of tenure reacted faster than their shorter-tenured counterparts during the onset of the pandemic (Figure 11). In January 2020, they were the first to reduce their resignation rate compared to 2019, and a clear behavior change emerged by late-February. Meanwhile, shorter-tenured employees only begin to reduce their resignation rate in late-March when the pandemic is more severe.

**Figure 11**: Resignation rate (annualized), comparing 2020 to 2019, 2018, and 2017. The left chart shows recent hires with below 1 year tenure; the center chart shows employees with 1-3 years of tenure; the right chart shows employees with 3+ years of tenure.
Summary

The dramatic shifts in high tech turnover and hiring provide a reminder to organizations that despite this pandemic, there is still movement happening in the talent marketplace. While there is higher than normal turnover in high tech, more job opportunities exist as well. It will be interesting to see how other industries may shift their attitudes as the economy gradually reopens in the coming months.

Lastly, as organizations look to retain their current workforce, they must ensure that employee tenure is factored into any analysis around retention programs. If hiring begins to increase across industries, then special attention should be paid to employees with a year or less of tenure at your organization.

Coming out of this emergency situation, forward-thinking HR leaders have found ways to ask the right questions about business impacts and automatically get on-the-spot answers with people analytics. They aren’t just getting rows of numbers—they’re getting strategic insight into what is really going on with skills, roles, safety, costs, and employee sentiment. This way, they can focus on what matters most: ensuring the employee value proposition is alive and well as businesses begin to recover and hopefully, thrive in the coming months.

The data for the figures published in this report are available on GitHub: github.com/VisierSolutionsInc/VisierInsightsReports
Resources

Visier is committed to helping organizations react, respond, and recover from the COVID-19 pandemic. To assist with data-driven decisions for crisis management and workforce planning, we are providing curated COVID-19 data and analytic content to our customers using Visier People, the market leading solution for people analytics and workforce planning.

We are also making our curated global COVID-19 case data, which is transparently consolidated from many primary and secondary sources, publicly available via GitHub:

github.com/VisierSolutionsInc/VisierCOVID19CaseData

Crisis management resources and virtual open forums for data-driven leaders are available at:

visier.com/crisis-management/

If you’d like to learn how other industry leaders are making a difference with people analytics, we invite you to join Outsmart, our free global digital summit, on June 3-4:

visier.com/outsmart

Visier Methodology

At the core of Visier Insights reports is Visier’s unique database of anonymized, standardized workforce data. For this report we targeted a broad range of employers, leveraging a subset of Visier’s customer database, which included over six million employee records from more than 70 large companies.

Companies included in this report represent a wide range of industries, including Healthcare, Technology, Financial Services and Insurance, Energy, and Manufacturing. For each of the included companies, Visier ensured a high degree of confidence in both data availability and quality for the topics and time period being covered by the report.
About Visier

Visier’s purpose is to help people see the truth and create a better future—now.

Visier was founded to focus on what matters to business people: answering the right questions, even the ones a person might not know to ask. Questions that shape business strategy, provide the impetus for taking action, and drive better business results.

Visier delivers fast, clear people insight by using all the available people data—regardless of source. With best-practice expertise built-in, decision-makers can confidently take action. Thanks to our amazing customers, Visier is the market leader in Workforce Analytics with 5,000 customers in 75 countries around the world.

For more information, visit visier.com
Have questions?
Ask Visier.