Visier Insights™ Brief:
COVID-19 Employee Turnover and Hiring Trends for July 2020
While late May and early June showed upward trends for employee turnover and hiring, new data reveals that the increase in COVID-19 cases had a direct impact on market confidence for both individuals and companies. Unlike the initial wave of cases, where the seriousness of the pandemic took time to sink in, reactions to the resurgence have been quick and dramatic, erasing almost all gains from the previous month of reopening.

The Visier Insights database, comprising over seven million employee records from more than 100 large companies, reveals how different age and gender groups are reacting to the new outbreaks.
Figure 1: Overall employee turnover is far below 2019 values. This graph shows the change in turnover rate (annualized), comparing 2020 to 2019.

**Overall turnover and hiring stalled amidst new waves of COVID-19 cases.**

From mid-May to the beginning of June, the gap in overall turnover began to catch up to 2019 rates, see Figure 1. But since late June, overall turnover has been dipping once more, sitting far lower than 20% below 2019 values.
Figure 2: Involuntary turnover in May strongly exceeds 2019 values; however, June tracks more closely to 2019. This graph shows the change in involuntary turnover rate (annualized), comparing 2020 to 2019. The latest value for the second week of July is likely too low, and will change as companies add delayed records for involuntary turnover.

Figure 2 shows involuntary turnover increased during the first week of July, a 25% increase compared to the same time in 2019. Involuntary turnover rates have been relatively stable since the initial spike at the start of the pandemic (late March to early April), and while involuntary turnover has been higher for the last two months compared to 2019, the relative gap is narrowing.

The data also shows that in the second week of July, the involuntary turnover rate is less than last year, but this is likely caused by common delays of updates in employee data for involuntary turnover.
Figure 3: Hiring picked up considerably in the beginning of June compared to April and May; however, the trend seems to be reversing in July. This graph shows the change in external hiring rate, comparing 2020 to 2019.

Reopening the economy resulted in more hirings, but the resurgence in COVID-19 cases has led to a slowdown as employers grow cautious once more.

After an upward trend in hiring last month, Figure 3 shows downward movement starting the second week of June, dropping from 37% to 26% as of mid-July. While the hiring rate in June is 13-18% below 2019 values, it is higher than April and May numbers (36% and 41% respectively compared to 2019). For the second week of July we again observe a reduction in hiring by 43% compared with last year.
Figure 4: Employee resignations were closest to 2019 values at the beginning of June. For July, there has been a decrease in resignations well below 2019 values. This graph shows the change in resignation rate, comparing 2020 to 2019.

After recovering in the first week of June, data from July shows another sharp reduction in resignations. In the second week of May, there were 67% less resignations compared to 2019, but numbers had been recovering since then, almost reaching last year’s level in the first week of June. The current fall in resignations by 55% below 2019 values for the second week of July is another likely reaction from employees to the increase in COVID-19 cases.
Gender differences in resignation rates have narrowed.

As shown in Figure 5, starting in early May to mid-June, both genders resigned at increased rates, likely brought on by positive signs during the initial reopening. But the female employee resignation rate is 47% lower in the second week of July than in the second week of June and 58% lower compared to 2019 (see Figure 6), while the male employee resignation rate has dropped 49% compared to the second week of last month and 50% lower than 2019 values.
Figure 6 shows that the pandemic initially had more of an impact on the resignation rates of women than men. In March, female employees resigned at lower rates earlier than their male counterparts, and the difference to the resignation rate in 2019 is consistently below that of male employees.

Since the beginning of May, resignations have increased at a moderate pace for female employees, but more swiftly for male employees, leading to a large gap between resignations throughout June of around 24% difference to 2019 values.

However, since the beginning of July, the gap between male and female resignation rates compared to last year has more than halved to 8% difference. In fact, the slowdown in male resignation rates is much more dramatic than for women, a sign that male employees may be growing more cautious due to the renewed health crisis.
Figure 7: Hiring rate (annualized) comparing 2020 to 2019, 2018, and 2017. The left chart shows resignations of female employees and the right chart shows male employees.

Hiring increased for both genders in June compared to the previous month, but by mid-July this has dropped to levels comparable to two months ago (Figure 7).
Figure 8: Percent difference of hiring rate (annualized) for 2020 vs 2019, comparing female and male employees.

The change in hiring rates for both genders shows a clear progression through the crisis. A sharp decrease to around 30% of 2019 values in early May is followed by an increase to about 85% until mid-June.

In the second week of July, hiring rates for female and male employees collapsed to 38% and 49% of 2019 values respectively. Although hiring of female employees was slightly sharper in late May and early June, the comparison with 2019 values shows that the COVID-19 impact on hiring has impacted male and female employees in a similar way.
**Figure 9**: Resignation rate (annualized) comparing 2020 to 2019, 2018, and 2017. Four charts show the resignation rates for the age groups 18-25 yrs (top-left), 25-40 yrs (top-right), 40-55 yrs (bottom-left) and 55-76 yrs (bottom-right).

**Resignation and hiring rates rise, then fall, for younger workers; older workers have hardly bounced back since March.**

In June, resignation rates for workers aged 18-25 years recovered markedly, compared to older employees. However, from mid-June to mid-July, resignations dropped significantly again for this younger cohort (59% in the second week of July compared to the second week of last month).
June resignations for young employees were higher than in the same period in 2019, which may be due to reduced resignations from mid-March to mid-April. This indicates that resignation activity has been delayed rather than abandoned altogether.

Since the beginning of July, resignations have been decreasing below 2019 values. In comparison, all other age groups’ resignation rates stayed low between April and July, decreasing to 40-70% of last year’s values.

Employees in age groups 25-40 and 40-55 years do show a slight increase from -56% at the beginning of May to -28% in the first week of June; however, in the second week of July, there has been a reduction to about -55% compared to the 2019 value. For employees in the oldest age cohort, there was no upward trend in resignations in May and June at all, which could be related to their increased risk in the current health crisis.
Hiring measured by age groups shows a similar picture. There was a dramatic spike of hiring activity for employees of age 18-25 years, starting at the end of May (see top-left chart in Figure 11). This spike is consistent with increased hiring in previous years and likely caused by new graduates entering the job market.

That said, in previous years, this hiring boost typically started earlier and the delay in 2020 is likely due to employer caution and cost control during the pandemic. For employees 18-25 years, hiring in June surpassed 2019 values, which is likely a consequence of the delayed hiring. However, measurements for the second week of July show reduced hiring activity once more below values measured for last year.

For the other age cohorts, there is very little improvement in hiring activity in June, if any, and for employees aged 55-76, hiring seems to slow even further at the beginning of July.

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**Figure 11**: External hire rate (annualized), comparing 2020 to 2019, 2018, and 2017. Four charts show the external hiring rates for the age groups 18-25 yrs (top-left), 25-40 yrs (top-right), 40-55 yrs (bottom-left) and 55-76 yrs (bottom-right).
The comparison of hiring to 2019 values shown in Figure 12 further illustrates the negative impact of COVID-19.

When hiring slowed in mid-March (onset of the pandemic), hiring decreased for all age groups, with workers aged 18-25 slowing the most. However, the hiring rate for this younger cohort increased in June and, though it has since fallen once more, hiring rates for older age groups haven’t experienced any increases in hiring at all. Figure 12 shows employees aged 25 and above are being hired at decreased rates from mid-June to mid-July: At approximately -44% (ages 25-40 years) and -56% (ages 40-55 years) and -54% (ages 55-76 years) reduction compared to 2019.
Figure 13: Involuntary turnover for High Tech companies. This graph shows the change in involuntary turnover rate (annualized), comparing 2020 to 2019. The datapoint for the second week of July is omitted, because delayed data corrections are expected to affect this value.

Hiring slows while involuntary turnover remains high in High Tech.

The May edition of this report highlighted that high tech companies reacted differently to COVID-19 than other industries, with increased involuntary turnover and hiring. Figure 13 reveals that involuntary turnover continues to be high, at double to triple the 2019 values since beginning of May.
Figure 14: Hiring for High Tech companies. This graph shows the change in external hiring rate, comparing 2020 to 2019.

Figure 14 shows that after increases in April and May, hiring in the high tech industry is slowing in June and into July. For most of June hiring values are comparable to 2019, but in the first week of July, there has been a decline, rather than a spike observed in 2019.

The recent decrease in hiring activity could indicate that High Tech is starting to transition its response to the new economic environment to be more aligned with other industries. That said, involuntary turnover remains much higher than in other industries.
Summary

Despite promising signs of recovery in late May and early June, overall turnover and hiring trends for all genders and age groups have fallen since COVID-19 cases have resurged this month. Both employees and employers have reacted to the renewed health crisis with stalled hiring and resignations.

The dramatic changes month over month indicate that quick and flexible decision-making is needed more than ever. If you have enhanced your people analytics capabilities during this crisis, now is the time to build agile plans based on your data and model different scenarios for recovery.

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/

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 seven million employee records from more than 100 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.

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