

Career Nomads

The changing social contract between individuals and organizations



Given the current and foreseen economic and employment climate, we have seen an increased focus on the subject of "career nomads" – high-performing, talented individuals switching jobs, organizations, and even careers at a faster rate than others.

More people are job hopping in recent years...

Since 2013 unemployment rates have reduced by

50%

Number of people quitting their jobs has increased by

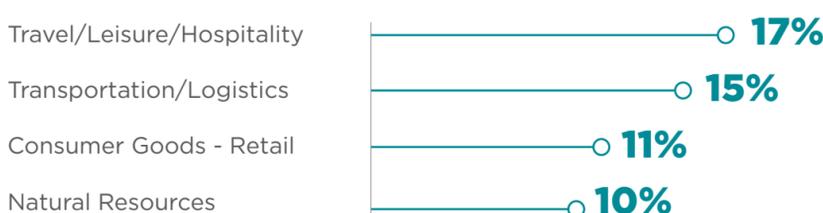
25%

Since 2014 median job tenure has decreased

From **4.6** to **4.2** years

...and career nomads are found across industries.

Top 4 industries with the highest % of career nomads



5.3%

of the overall workforce across industries are estimated to be career nomads.

YET, career nomadicity is not unique to a specific generation.

Because job hopping is more prevalent and acceptable in entry level roles, it tends to happen when people are younger, regardless of their generation.

Americans born in early 1980s



By the time people turned 31 years old...
held **7.8** jobs on average

Americans born from 1957 to 1964



held **8** jobs on average

Career nomads – an asset or liability to organizations?

Higher turnovers from these high-performing individuals are costlier.

Cost of replacing career nomads talent ranges from

50% ~ 75%

of the position's annual compensation



However, companies benefit from increased productivity from these talented individuals.

Additional surplus value created by career nomads ranges from

0.5X ~ 5X

of the position's annual compensation

Lost productivity before replacement ranges from

0.25X ~ 2X

of the position's annual compensation

Reduced time to fill high-value positions provide a benefit of up to

One full year

of the position's annual compensation

Due to the turnover costs, companies are hesitant to hire job hoppers

But companies are torn...

...they also want the benefit of highly learning agile people with broad experiences.

88% of companies prefer to hire people with deep subject matter experts.

Companies that want people with interdisciplinary experiences account for

78%

Various talent management best practices can help company reduce cost and increase net benefit from career nomads.

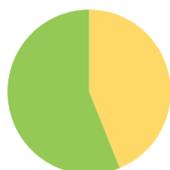
- Offering compelling career development opportunities **21%**
- Supporting work-life balance **13%**
- Improving leader effectiveness **11%**
- Enhancing employee well-being **9%**
- Restrategizing rewards/benefits **9%**
- Refining job characteristics **8%**
- Enhancing work environment **6%**

% Cost Reduction by Implementing Best Talent Practices

77%

Fortune 500 companies see varying degrees of benefit/loss from career nomadicity.

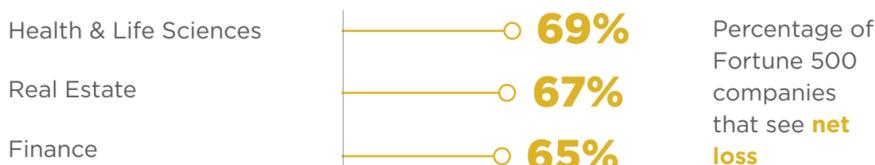
56% of Fortune 500 companies enjoy **net benefits** from career nomads



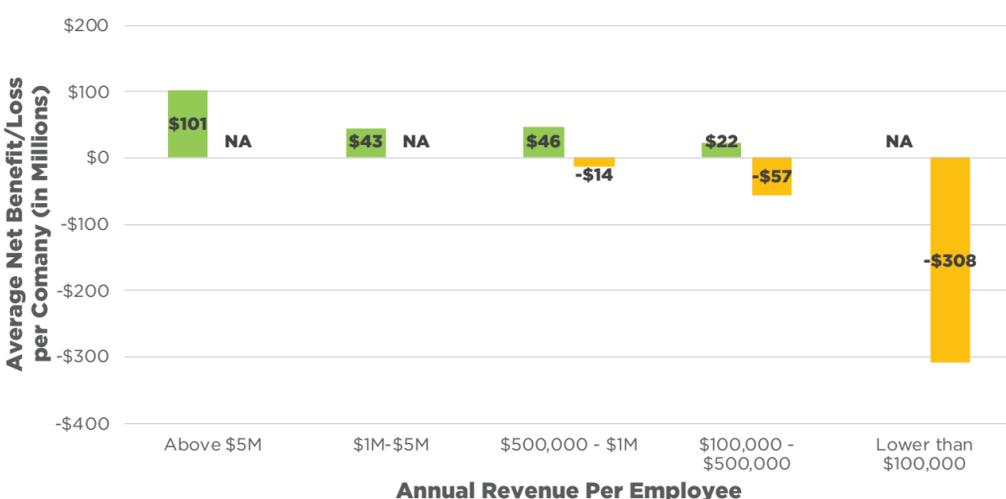
Top 3 industries that tend to benefit from career nomads



Top 3 industries that tend to incur loss from career nomads



Fortune 500 companies with higher annual revenue per employee tend to enjoy higher net benefits from career nomadicity.



* NA - none of the Fortune 500 companies fall within that range.

■ Companies with Net Benefit ■ Companies with Net Loss